THE POLITICAL AND ECONOMIC CONDITIONS OF INDIANS IN BURMA 1900 - 1941.

by

NALINI RANJAN CHAKRAVARTI

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ProQuest LLC.
789 East Eisenhower Parkway
P.O. Box 1346
Ann Arbor, MI 48106 – 1346

A B S T R A C T

In this thesis an attempt has been made to survey, on the basis of an intensive examination of the available records, the economic and political conditions of the Indian community, once the most important minority in Burma, which provided much of the capital and labour needed for Burma's economic development during 1900-1941.

It begins with a study of the growth of Indian population and their various occupations in Burma; and questions the common belief that Burma was being swamped by Indians, displacing Burmans from their occupations. The facts and figures indicate that after one hundred years of unrestricted migration, the Indian settlers hardly exceeded 2% of the total population and were still doing work for which no Burmans were available.

The pathetic condition of the Indian labourers in Burma, the terms and conditions of their service, transport and habitation and the responsibility of their employers are critically examined, bringing to light the unfortunate political and economic effects of the Government's policy of free immigration of Indians into Burma.

The role of the Indian Chettyar bankers, who revolutionised Burma's agriculture and export trade, the extremely

complementary trade between Burma and India, the Indian investments in trade, industry, real estates and other sectors of the economy are presented together with a rough estimate of the wealth of Indians in Burma.

On the political side, the unhappy union between Burma and India, the reasons for the growth of anti-Indian feelings, the unpleasant circumstances surrounding Separation and the various measures adopted for the elimination of Indian interests are examined, separately for each of the three stages of political development in Burma, (pre-Dyarchical, Dyarchical and post-Separation) and the study indicates that much of the unpleasantness could have been avoided by timely action.

However, the author concludes that whatever course the British, the Burmese and the Indians had adopted for the protection of Indian interests in Burma, such interests would not have survived the destruction and political disorders brought about by the War and Japanese invasion in 1941-42.

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INTRODUCTION

This is the sad story of a minority race which lived for several generations in Burma, worked hard and made tremendous contributions to the development of Burma over a period of more than one hundred years of British administration, only to be finally thrown out of their homes and vocations by the avalanche of international tragedies, namely, the Japanese invasion of 1942, a systematic destruction of Burmese economy both by the incoming Japanese and the advancing Indo-British army during 1942-45. To these were added the internal disorder which began in 1942, became endemic thereafter and continued to take its heavy toll for many years.

The purpose of this essay is not to blame any one or any group or set of circumstances for this unhappy situation. The main purpose is to state the case, on the basis of ascertainable facts, fairly and without prejudice, to fill the gaps which have been observed in several documentations of the events and to draw certain conclusions which may be of some use in clearing the air and minds of Indians and Burmans. It is not too late yet for them to have a second look at this episode with a view to developing a mutually satisfactory relation in future.

There has previously been no systematic study of the political and economic conditions of Indians in Burma though they were, politically and economically, the most important minority community in the pre-war days possessing much greater material resources than any other community in that country. A few earlier publications, e.g. B. R. Pearn's booklet on Racial Relations Studies (1946) dealing with the Indians in Burma or Usha Mahajani's The Role of Indian Minorities in Burma and Malaya (1959) are studies of a general nature; other publications like A. Narayan Rao's Indian Labour in Burma (1933) deal with certain specific problems. There has been no publication, as far as can be ascertained, which attempts to present a fairly comprehensive appraisal of the economic interests of Indians in Burma or an appropriate analysis of their political problems. This study has been directed towards that purpose in dealing with the period from 1900-1941 which saw both the rise and the decline of the Indian interests in Burma.

Materials used in the preparation of this thesis have been collected mostly from the archival records and Government publications including the reports of various Commissions and Committees appointed from time to time by H.M.'s Government of the United Kingdom, the Government of India and the

Government of Burma. The standard works of such eminent authors as Sir James George Scott, D.G.E. Hall, G.E. Harvey, J.S. Furnivall, Morris Collis, H.R. Tinker, J.F. Cady (to mention only a few among others) have been consulted. I have also availed myself of the extremely useful facilities available in London at the Royal Institute of International Affairs (Chatham House), Old India Office Library, Indian High Commission Library and London University Library for this purpose. Some of my time was very usefully spent in the Indian National Library (old Imperial Library) Calcutta, and the Central Library, Bombay which contain a number of old publications not readily available elsewhere. I wish to thank the institutions mentioned above for their valuable assistance and for the trouble they have taken in complying with many untimely or unreasonable requests during my search for materials. I pursued this study under the supervision of Professor H. R. Tinker, University of London. While I remain responsible for all factual data and their interpretation as well, I must say that I am deeply indebted to him for his instructions and encouragement without which I would not have completed this work.

Much useful material was destroyed during the war and Japanese occupation and the available old records are so

widely dispersed that a systematic study of the subject is a matter of some difficulty. There are some inevitable gaps and discrepancies among the available materials. Practically all the political leaders of pre-war Burma and the leaders of the Indian community of the same period are gone and, even if any of them were alive, it would be unreasonable to construct anything on the basis of their recollections after a lapse of so many years. Despite these deficiencies and difficulties, it is possible to conduct a careful study of the details, sort out the main issues and draw a fairly correct picture of the situation from the available materials.

It has required several chapters to cover the years 1900-1941, though attempts have been made to confine the discussions only to the main problems and issues of the period. It appears to be unnecessary, and possibly unwise, to go into greater details, as it will not serve any useful purpose at this date. Apart from the official and non-official (but highly authentic) materials on which these chapters are based, I must add that I have seen some of the major events of this period with my own eyes. My personal experience as a member of an Indian family settled in Burma in the 1880's and also as a Civil Servant in Burma during 1930's and 1940's may have influenced my views on the problems of Indians in Burma, but I have tried to be dispassionate in dealing

with them.

As a province of India, under the effective control of the highly centralised Government of India, Burma presented few problems to Indian settlers during the first seventeen years of this century. Clouds were, however, gathering on the horizon and with the introduction of Montagu-Chemsford reforms, the Government of India Act, 1919, the third decade saw the dawn of an intensive nationalist movement in Burma for Self-Government and Separation from India. As the political agitation gathered momentum, the freedom from India and Indians (the Central Government of India and the Indian labour and business interest in Burma) took precedence over other nationalists' objectives and this together with the economic depression of 1930's set in motion a process of decline of the Indian interests in Burma which continued up to the end of 1941 when the war and Japanese invasion practically ruined these interests.

Some of the views I have expressed are convroversial and will not possibly satisfy many Indians or Burmans. But I have expressed them freely because I believe that the acts of omission and commission which finally led to the elimination of an important minority community after one hundred years of residence in Burma, is a subject of considerable

importance in the study of international relations and should be freely discussed. Many newly independent countries include minority communities and the pattern of treatment in one may form a precedent for others.

According to the Secretary-General of the United Nations[1], "The term minority should normally be applied to a group (which differs from a predominant group within a State) whose members share a common ethnic origin, language, culture or religion and are interested in preserving their existence as a national community or their particular distinguishing characteristics." He adds: "The fact that the members of a minority normally feel that they differ from the predominant group does not necessarily imply that no larger nation exists constituted both by the minority (or minorities) and by the predominant group under the jurisdiction of the same State." The Indians in Burma formed a distinct 'minority' and they were recognised as the most important minority community under the Government of Burma Act, 1935 and the statement made by His Majesty's Government in Parliament.[2]

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[1]United Nations: Definitions and Classification of Minorities. Secretary-General's Memo E/C.N.4/Sub.2/85, dated December 27th 1949.

[2]House of Commons Debates, vol 317, 1936-37. Page 1539. H.M.'s Stationery Office, 1937.

It is an internationally accepted principle that a minority has the right to live in the country which has been its home for a long time. It is equally true that the minority, irrespective of its power or possessions, can live and prosper only with the good will of the majority. If the pattern which evolved in Burma for one reason or another - not excluding the grave faults of the minority itself - were to be the rule of the game, there could really be no place for minorities among the developing nations. Either the minorities must submerge and lose their identity or be thrown out of the country. From the point of view of contemporary international relations, the subject therefore appears important and deserves to be carefully considered and openly discussed. In the case of Burma, it is specially important since it is one of the few small countries in the world which has for nearly two decades taken a leading part in the United Nations and contributed a chief executive in the person of U Thant. The majority of Indians and Burmans (who are devout Buddhists) believe in the doctrine of Ahimsa. It is their common belief that an act of cruelty or injustice done to any individual or a section not only injures the individual and section itself but also the person and the community which inflict the injury. Both the Indians

and Burmans in their dealings during this period apparently overlooked this important principle of their faith. They also forgot that neither the greed of a minority nor the jealousy or vengeance of a majority could be productive of any good results, both being essentially destructive in character. There are many historical instances, including some recent ones, to show that in this kind of political game, both the victor and the vanquished suffer and lose heavily; the immediate gains, if any, are illusory and the long term effects are extremely harmful to both. The study of the particular case of Indian minority in Burma may confirm this simple truth and provide a valuable lesson for other States which contain different racial groups.

It is probably too early to say what would be the verdict of historians in future, whether the Indians deserved the treatment meted out to them and whether the elimination of Indian interests benefited Burma politically, economically or socially. The events are too recent to be properly evaluated. However, we may take note of certain well established facts which can not be ignored. Indians in Burma, despite their many faults, included a fairly rich section possessing capital, talents and experience in the fields of trade, commerce, industry and banking; it included also a large section of highly skilled industrial labour in

all vital sectors of the economy; in between these two sections, there was a middle section of intellectual class in all branches of learned professions - education, public health, engineering, law and public administration. The facts and figures presented in this volume will demonstrate these. The three sections had taken firm roots in Burma having lived and worked there for more than two or three generations; they were small in number - constituting not more than two or three per cent of the entire population of Burma; even if the temporary or seasonal immigrants - mostly unskilled labourers, the products of unregulated immigration which created the greatest problem, were included, the total Indian population hardly exceeded 5% of the total population of Burma; the country was large, in fact the biggest in area among the States forming the British-Indian Empire; it was the most sparsely populated in the Indian Empire and potentially the most prosperous with scope for tremendous development; there was enough to meet everybody's need and possibly enough even to meet everybody's greed if it was not inordinately immoderate. The exodus of Indians was therefore unnecessary.

There is nothing to indicate as yet that Burmans have become richer by the departure of the Indian community. Burma has contined too long to be one of the unfortunate

countries in the world, if not the only one, which has not been able to restore its pre-war economy; yet no other country in Southeast Asia had such a reservoir of natural resources, talents, finance, international contacts and opportunities for economic development as Burma had or could have; and possibly no other country ever denied itself of the opportunities available at its door as Burma did during the post-war years. It almost presents a pathological case for study by those who are interested in the science of economic development and certainly it provides some lessons for other developing nations interested in the welfare of their people.

The civil war in Burma which followed independence, and still seems to continue on a small scale in spite of the strong and beneficial rule of General Ne Win, had its roots in the discontent and suspicion of the indigenous minority communities of Burma who had previously suffered at the hands of a small perverted section of the Burman majority. This has not been discussed in this essay, as the Indian community in Burma had no part in the rebellion or civil war and, as far as we know, the Government of India has consistently given its moral and material support to the established Government of Burma for the suppression of rebellion. Yet it may be noted in passing that the treatment

or sufferings of the Indian community in the 1930's and thereafter might have indirectly contributed to the fears and suspicions of other minorities who were in a sense more unfortunately placed than Indians, as they had neither the resources of the Indians nor another country to which they could migrate. However, this is a matter which is outside the scope of this paper.

Throughout this study, it has appeared to me that the elimination of Indian interests from Burma, whether by deliberate action or by accidents of war, invasion or rebellion, was a tragedy of the first magnitude in Southeast Asia. It was wholly unnecessary and could have been easily avoided with appropriate measures in 1930's and 1940's. Within certain mutually satisfactory and acceptable regulations, this small community could have lived and worked in their land of adoption and be a tower of strength to Burma for purposes of reconstruction and development. Probably, it was one of those inevitable laws of Karma, to which both the majority of Burmans and Indians subscribe, which brought about this tragedy - for no earthly reason could explain it.

However, we may still profit by past mistakes; after all, a period of thirty or forty years is not a long time in a nation's life. A new generation of political leaders

have now come to power both in Burma and India, and it should not be beyond their capacity to take a fresh look, free from past prejudices and preconceived notions. It may be possible for them to see that while politicians may come and go, the facts of geography, economy and common culture can hardly be altered.

It was my privilege to serve under a number of distinguished Burmans for a long period. I am absolutely sure that even the most aggressive nationalists among the elderly leaders, did not want to terminate the Indian interest in Burma. Actually, nationalists' demands for the regulation of Indian immigration and other reforms including some control over the acquisition of agricultural lands by non-agriculturist Chettyars, did not assume a serious character until the economic depression and rebellion of 1931. The Governments on both sides of the Bay of Bengal had over 10 years, between the economic depression and the Japanese invasion of 1942, but did little to put the house in order. U Ba Pe, who took a leading part in the Burma Round Table Conference of 1931 and also led the movement for Separation of Burma from India, was considered to be the most anti-Indian in outlook - yet both before and after Separation, he was not an extremist, and as the Minister of Agriculture and Commerce made many valuable suggestions for settlement

with the Indian Chettyars and other Indian interests. This "grand uncle" of Burmese politics used to say openly after the war that Burma needed massive co-operation with India for economic reconstruction. Sir J. A. Maung Gyi, Minister, Executive Councillor and later Governor of Burma (1931), as Chairman of the Services Reorganization Committee was in favour of rapid Burmanization of services but never recommended summary dismissal of Europeans and Indians from Burma services. U Pu, one of the oldest leaders of Separationist movements and an ex-Premier of Burma was highly respected and trusted by Indians for his moderate views. Sir Maung Gyi, another eminent Separationist leader, President of the Senate and later Defence Councillor (1940) was very much in favour of a common defence policy for India and Burma. Such instances may be multiplied. U Tin Tut, the most senior Burman member of the Indian Civil Service who had excellent records of service in New Delhi and Rangoon in highly responsible positions and who acted as chief advisor to the Burmese Ministry during 1935-46 and finally became the Finance and Foreign Minister in General Aung San's Cabinet and U Nu's Cabinet during 1946-47, had repeatedly urged:

> "Never before in Burma's history has she needed capital more and it is important that Burmese should have the issues clear in their minds.
> What was wrong in the past was that such capital was not controlled and directed by

> "the Government in the interests of the Burmese...but care should be taken that the conditions demanded are not so harassing as to deter the entry of fresh capital.
> Not even the most extreme Burmese politician has ever seriously advocated expropriation without compensation...the expropriation of foreign oil interests [...in certain countries] did no good to those countries and the lesson has not been lost on other countries.
> No amount of State Socialism will, however, give the Burman the training and experience he lacks in commerce and industry and a wise Burmese Government will therefore need to go slowly and to utilize to the full non-Burmese skill and experience during a transition period which must necessarily be long, as business experience cannot be acquired in a day. The non-Burmans have not only the experience but also the foreign contacts and capital. The right line of advance seems to us to be a partnership between these and the Burmese.
> The Burmese must be content to hasten slowly. A free Burma will need external capital, cannot afford to do without the non-Burmese business talent and experience which helped to develop Burma in the past.[3]

U Tin Tut, the brilliant Cambridge-educated economist and ardent nationalist, and one of the chief architects of Burmese independence, held to these views until his assassination in 1948. His expectations remained unfulfilled. Fresh attempts in the direction indicated by him are overdue.

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[3] cited in J. R. Anrus, Burmese Economic Life (California: Stanford University Press 1948), p. 194-195.

Indians themselves were partly responsible for their misfortune in Burma, particularly during the pre-war period. It appears to be sufficiently clear from the available facts and figures, that the Indian community in Burma, including those who were permanent residents and could for all practical purposes be considered as Burmese citizens, in fact continued to remain Indians first and Burmans last. There are many reasons for this unhappy situation and these have been discussed in some detail. It would appear that the facts of history, geography, administrative arrangements, urbanisation, social custom and the stresses and strains which arose from fair and unfair competition when several communities had come to live and work together for gainful pursuits, contributed to the separation of Indians from Burmans. It was unfortunate, but the facts of life being as they were these could not possibly be avoided by individual Indians. Nor could they, of course, avoid the war and revolution which overtook Burma in 1942 and which in any case would have destroyed much of what they had built after generations of hard work. It has to be admitted by all concerned that even under the best of conditions, and assuming that everything possible was done, in the best interest of Indians in Burma, by Burmans, the British and the Indians including their respective Governments, the past predominance of Indians in Burma's trade,

commerce, industry, labour and certain departments of Government could never be revived or reconstructed on the pre-war basis and on a pre-war scale after independence. In the circumstances, the best course appears to be to forget the past and devise ways and means of co-operation in future.

A considerable heart-searching by Indians also appears to be overdue, since overseas Indians, particularly in recent years, have become the victims of discrimination not only in Burma but also in a few other countries of their adoption; but it could not always be said that their misfortune was due entirely to the faults of the other parties concerned. The study of the position of Indians in Burma seems to suggest that some sections of the community suffered from several avoidable shortcomings which made them easy targets of despise or harsh treatment despite their valuable services to the country. I have tried to analyse a few of them, though I know that it is a very controversial subject.

In this essay, I have not attempted to deal with Pakistan separately as most of the major events affecting the Indian community occurred before the partition of India. What is stated for India and Indians therefore applies equally to Pakistan and Pakistanis (except Burma Moslems

in Arakan and other parts of Burma who are really Burmans). Indian Moslems who are now Pakistanis have suffered equally with other Indians. There was also some border tension along the Arakan frontier between Burma and Pakistan after independence but it was settled through the personal diplomacy of President Ayub Khan and General Ne Win.

The investments of Pakistanis as distinct from Indians cannot be properly estimated and no attempt has been made to separate them. In general it may be said that they form probably not more than 25% of the total Indian investments in Burma (estimated in Chapter VI). But this is only a very rough estimate.

CHAPTER I

GROWTH OF INDIAN POPULATION IN BURMA

We have to rely mainly on the decennial reports on Census of India (including Burma) in dealing with the growth of the Indian population in Burma. These reports, however, suffer from certain grave deficiencies in the matter of enumeration of the Indian population in Burma and we should perhaps mention these at the outset. The first two censuses, taken in 1872 and 1881, covered only parts of Lower Burma where the British administration was being gradually set up. Upper Burma was conquered by the British in 1886, but could be brought under proper administrative control only towards the very end of the 19th century after a period of grave disorder and rebellion which spread also into certain parts of lower Burma conquered earlier in 1826 and 1852. The third and fourth censuses, taken in 1891 and 1901 respectively, suffered therefore from almost the same administrative difficulties as those experienced earlier. A greater reliance could be placed on the three subsequent censuses taken in 1911, 1921 and 1931 but there were other complications which may be briefly stated as follows:

(a) In the 1911 census, following an earlier practice, all persons, who retained an Indian language as their mother

tongue, were classified as Indians. This method of enumeration included in the Indian population all Arakanese Moslems in the border region between Chittagong (Bengal) and Akyab (Burma) districts who speak a Chittagonian dialect but are Burmans by education, dress, manners and all other habits of living.

(b) In 1921 and 1931 censuses, a different method was adopted; all persons who belonged to one of the races of India or belonged to an unspecified race of India, were classified as Indians. This was not satisfactory either as it could include among the Indians, not only the Arakanese Moslems mentioned above, but also many Zerbadis (children of mixed marriages usually between Indian Moslem males and Burmese females) who stubbornly adhered to their Moslem names and racial customes, though they were Burmans for all practical purposes.

(c) All the decennial censuses, ending with the one of 1931, were taken when Burma was a province of India, and naturally followed the usual all-India pattern. No special attempt was made to classify Indians in Burma as permanent residents, aliens, temporary residents or seasonal immigrants and no significance was attached to their special interests - economic or political. The census of 1941, which was the only census taken after the separation of Burma from India (and

was expected to give a better picture of the Indian interests in Burma) could not be completed due to the war and Japanese invasion. Only a statement of the total population by districts survived.

(d) All the census (except that of August 1872) enumerations were conducted in the months of February or March - the peak season of the year when the seasonal Indian immigrant labourers were present in Burma in large numbers for harvesting, milling and shipping of rice. This tended to present an inflated picture of the Indian population - a large number of whom, if not the majority, were known to be visiting Burma for short periods.

(e) No reliable figures of Indian immigrants and emigrants are available. In fact, they were never maintained on a proper basis for the understandable reason that Burma was then a part of India and therefore no special significance was attached to movements from one province to another which were absolutely free and unregulated. The shipping companies used to submit some returns to the Port Commissioners of Rangoon showing the passengers carried by them; Port Health Officers in Rangoon and other ports made some records of arrivals and departures, and the Labour Commissioner, Rangoon tried to compile some figures in 1939-40 from various sources including the shipping companies, Port

Commissioners and others. But the available figures from all these sources are extremely contradictory and the discrepancies are such that no satisfactory conclusion can be drawn.

We shall discuss some of these problems later on, but it may be noted at this stage that while no reliable figures of Indian settlers in Burma are available, a reasonable estimate may be made from all the above-mentioned records - relying mainly on the census reports for the growth of the Indian population in Burma. The available records also, on the whole, provide a fairly satisfactory evidence of the trend in the incoming and outgoing movements for the period 1900-1941 with which we are primarily concerned. In view of the loss of materials collected for the 1941 census, it will be necessary to depend on earlier census reports - particularly on the 1931 census for details, though the figures of 1931 for Indians would appear to be on the high side compared to the probable figures of 1931-41 when depression, rebellion, Separation and anti-Indian riots reduced the strength of the Indian community. The 1941 census showed an increase in the total population of Burma during the decennium (1931-41) of approximately 12%[1] though this was

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[1] Government of Burma, Handbook, Simla, Government of India Press, 1943, p.4.

in a minor degree due to the inclusion of additional areas, namely Naga Hills, parts of Kachin Hills and Wa States for the first time in the census. It is probable that the number of Chinese had increased by more than 12% as a result of the opening of the Burma-China Road; but there had been a considerable decline in the Indian population during this period; this will be discussed later including the mass exodus of an estimated 500,000 Indians through overland routes in the wake of the military withdrawal, early in 1942.

An overall estimate of the gradual growth of Indian population as can be gathered from the census reports and other sources is given in Table 1. These include not only the permanent residents but also the casual visitors, seasonal or temporary immigrants, present at the time of the census, and a very large number of Moslems of the Akyab District who were counted as Indians because of their race and religion though they formed an indigenous section of the Arakanese (Burmese) population living for generations in the border regions of Arakan and Bengal:

Table 1.

Year	Total Population	Indian Population	Indian Percentage
1881	3,736,771	243,123	6.5
1891	8,098,014	420,830	5.1
1901	10,490,624	568,263	5.4
1911	12,115,217	743,288	6.1
1921	13,212,192	887,077	6.7
1931	14,667,146	1,017,825	6.9
1941	16,823,798	918,000	5.4

The figures for Indians in 1941 were estimated by Dr. Bernadelli, Head of the Department of Commerce, Rangoon University. The census enumeration for 1941 was then in progress but not completed. The figures were, however, realistically estimated on the basis of the best information then available, for the use of a Commission of Enquiry into the problems of Indian immigration which reported in 1941. They may be accepted as approximately correct.[2]

The figures for Indians in Table 1 are the most liberal estimates including practically everyone who could even be remotely considered as an Indian resident of Burma. Some of the most significant things to be observed from the Table are: the Indians who, as early as 1891, constituted about 5% of the total population, stood at 5.4% in 1941 after a lapse of about sixty years; they constituted about 5.4% of the total population at the beginning of this century in 1901 and reached 5.4% again in 1941; the highest figure ever reached was in 1931 when the Indians were estimated at 6.9% but they were 6.5% even in 1881. The reason for the ups and downs in the figure of Indians cannot be easily explained. The matter was examined by the Commission on Indian Immigration in 1941 and it reported that while it

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[2]James Baxter: Report on Indian Immigration, Rangoon Government Press, 1941. p.8.

would be unsound to conclude that the movement of Indian immigrants was self-regulated by economic conditions, "a major determining influence at work as regards the volume of Indian immigration is to be found in the degree of economic prosperity which Burma experiences at any given moment."[3] The foreign trade figures of Burma for the period from 1900 to 1939 which are reproduced in Appendix I are a valuable, though crude, indication of Burma's economic barometer. It would appear from the available figures of immigration reproduced in Appendices II, III and IV, (when they are read with Appendix I) that the more prosperous the conditions, the greater was the volume of immigration - allowing of course, a time lag of about two years or so - possibly the normal period of an immigrant's stay in Burma so that he could make some savings before he returned to India. It will suffice for the moment to note that the Indian population grew in Burma gradually over a very long period with the progressive growth of the economy from its rural base to industrial agriculture; but the number of Indians began to decline in the 1930's after the economic depression and Separation from India.

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[3] James Baxter: Report on Indian Immigration, Rangoon Government Press, 1941. p. 14.

A closer scrutiny of the figures of Indian population given in Table 1 is, however, needed to assess the real numerical strength of the community which could truly be called 'Indian minority' as opposed to indigenous races in Burma. Because, in dealing with the problems of Indians in Burma, we have to bear in mind that the problem was created by the immigrant Indians only and not by those Indian or semi-Indian races of the border regions who had been there for a long time; they are really the sons of the soil and are still there, unaffected by the Indian problem. These include the Arakanese Moslems, animists of Lushai, Naga and Pakokku Hill tracts bordering Assam, Manipuri or Ponna settlers of central Burma, some Zerbadis and Moslem settlers of Tenasserim - particularly of Moulmein, Gurkha settlers of Myitkyina and a few others. It is extremely difficult to discover from the census records how many of these have been classified as Indians. We may, however, mention the most glaring example of Arakanese Moslems - particularly those living in the Akyab district bordering Chittagong (Bengal). There is an overwhelming justification for separating the Moslems of Akyab Distpict from other Indians. These Moslems are a permanently settled agricultural community of Arakan and are really Arakanese. Sir S. G. Grantham in

his census report of 1921[4] said "Actually of the 201,000 Indians shown against Akyab, 78,000 males and 76,000 females were born in the district; the phenomenon is as much an annexation of part of India by Burma as an invasion of Akyab by Indians". Maungdaw township with 90,000 Indians, Buthidaung township with 45,000 Indians and Kyantaw township with 20,000 Indians are at the border of Chittagong (Bengal, now East Pakistan) and are more easily accessible from Chittagong than other parts of Akyab. They are indigenous people living in those areas for generations and are Arakanese in dress and manner though Moslem by faith. Mr. J. J. Bennison[5] in his census report 1931 said "In Akyab district itself 210,990 Indians were enumerated but only about one-tenth of them were enumerated in towns. In parts of Akyab districts, Indians are so numerous that they should perhaps be regarded as indigenous". He was referring to the above mentioned Moslem residents of the areas bordering Chittagong; the number of such Indians in Arakan (practically all Moslems) are as given below:

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[4]Grantham, S. G.; Census Report 1921, vol X Burma Part I Rangoon, Government Press, 1923. p. 220.

[5]Bennison, J. J.; Census Report 1931, vol XI Burma Part I Rangoon, Government Press, 1933, p. 51.

Table 2. Arakan Division

Census	Total Population	Indian Population	Indian Percentage
1881	587,518	113,557	19.6
1891	671,899	137,992	20.5
1901	762,102	173,884	22.8
1911	839,896	197,990	23.5
1921	909,246	206,990	22.7
1931	1,008,534	217,801	21.6
1941	1,186,738	244,000	20.6

They constituted about 33% of the population of Akyab district alone; an overwhelming majority of them were concentrated on the border region as permanent population of that area. They had nothing in common with members of other Indian races who came as immigrants to Burma and this will be brought out clearly when we discuss later in this chapter, the characteristics of Indian immigrants including their birth place, age group and sex ratios. Table 3 below shows the size of the Indian community in Burma excluding Arakan Division:

Table 3. Excluding Arakan Division.

Census	Total Population	Indian Population	Indian percentage
1881	3,149,253	129,566	4.1
1891	7,426,115	282,908	3.8
1901	9,728,522	394,379	4.0
1911	11,275,321	545,298	4.8
1921	12,302,946	680,087	5.5
1931	13,658,611	800,024	5.8
1941	15,637,060	674,000	4.3

The total population of 1941 is taken from the published figures of 1941 census less Arakan division. The estimate of Indian population less Arakan for 1941 is arrived at by

deducting the 1931 census figures of Indian population of Arakan plus a 12% growth during 1931-41 which was the average growth of indigenous population of Burma in that period. There is no reason to believe that the number of Indians in Arakan increased more than the average 12% growth; in fact the Indian population declined in Burma during that period as indicated in Table 1. A small number of seasonal immigrants from Chittagong, estimated at between 20 and 30 thousand, visit Akyab temporarily for work during each dry season for paddy harvesting and rice milling. For purposes of a rough estimate, they may be set off against Manipuris, animists, Gurkhas, and some of the Zerbadis and Moulmein Moslems included in the Indian population (though they should have been treated as Burmans for all practical purposes).

The figures in Table 3 indicate that in Burma proper (exclusive of Arakan), the Indians never exceeded 5.8% of the total population. The community, despite the 120 years of open door policy by Government, was not large in Burma - a country of about 17 million where the average density was 65 persons per square mile as compared with 295 for India[6]; and, we shall see later when we discuss their occupations,

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[6]Government of Burma; Handbook, Simla, Government of India Press, 1943, p.4.

that they were badly needed and were performing very useful functions in Burma.

One of the arguments which had been frequently raised by the nationalist leaders in and out of the Burma legislature in 1920's and 1930's was that Burma was being swamped by Indians. It is true that Rangoon, the capital of Burma, housed more foreigners (predominantly Indian) than Burmans as may be seen from Table 4 below:

Table 4.

Population of Rangoon (1931).

Indigenous Races		Other Races	
Burmese	121,998	Indians	212,929
Karens	3,226	Chinese	30,626
Others	2,358	Indo-Burmans	12,560
		Europeans	4,426
Total...	127,582	Anglo-Burmans	9,977
		Others	2,315
		Total.....	272,833

More than 66% of Rangoon's population was composed of immigrant races, Indians constituting about 53% of the city's population. Over one-third of all Indians in mainland Burma (excluding Arakan) were concentrated in Rangoon - which being the only major port of the country was also the main centre of all arrivals in, and departures from Burma. From a small marshy village, Rangoon was developed into one of the most prosperous and beautiful cities of the east during

the British administration, mostly by Indian capital and almost entirely by Indian labour. The city always presented an exaggerated picture of the Indian presence in Burma. It is only natural that the politicians who were agitating for self-government and separation from India, would use this visible evidence in support of their cause. But viewed in the cold logic of facts, the real situation was quite different from the apparent. Unfortunately, no reliable figures for immigrants and emigrants, from and to India, were maintained. The available records are so flagrantly at variance with one another that no satisfactory conclusions can be drawn from them as to the net annual increase and decrease in the Indian population due to immigration and emigration and to the fluctuations year by year in the incoming and outgoing movements.

The several sources of information on this point, as mentioned earlier, are the statistics showing the number of immigrants in the form of tables compiled from the returns of shipping companies, the records of Port Health Officers at all ports of entry into Burma and the figures compiled by the Office of Labour Commissioners from various sources including Port Commissioners, Port Health and Shipping Companies. These figures reproduced in Appendices II, III and IV are so incomplete and contradictory, that they were

rejected[7] by the Commission on Indian Immigration in 1941. The discrepancies among them, which need not be discussed here, are such that no satisfactory conclusions can be drawn from them. Their chief value, however, lies in the evidence they provide, of the trends in the incoming and outgoing passengers of all races, not Indians alone though they constituted the vast majority of such passengers. It can be generally observed from them that the immigrant figures were high in the decades ending 1929 and showed a considerable decline from 1930 onwards. The same tendency appears in the emigrant figures though the decline began some two years later. As observed earlier, the immigrants would normally spend about two years or so to accumulate a little money before going home. The main feature of the decade 1930-40 is a considerable decline in the number of immigrants and a large diminution in the excess of immigrants over emigrants.

In Table 5 below is given the figures for immigration and emigration for Burma collected from the Census reports and the annual administration reports. They are again admitted to be rough and sketchy. Nor do they include all the ports of entry until at a later stage. Moreover, the figures include all races. However, since the Indians were

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[7] James Baxter; Report on Indian Immigration, Rangoon Government Press, p.p. 11-12.

an overwhelming majority of the immigrants and emigrants, the figures provide a general idea of the size and trends in the incoming and outgoing movements of Indians:

Table 5.

Year	Immigration	Emigration
1906-7	248,756	200,085
1907-8	249,521	201,915
1908-9	230,750	235,007
1909-10	259,462	253,349
1910-11	269,217	247,627
1912-13	325,582	331,520
1917-18	223,133	237,184
1918-19	259,922	234,237
1921-22	331,992	303,806
1922-23	360,038	310,331
1924-25	303,884	262,809
1925-26	295,015	281,323
1926-27	326,562	274,407
1927-28	332,689	298,692
1928-29	334,722	312,550
1929-30	309,882	301,181
1930-31	272,491	317,291
1931-32	309,426	367,121
1932-33	300,368	288,494
1933-34	243,365	252,203
1934-35	256,004	226,698

Unsatisfactory as all these figures of immigration and emigration are, several non-controversial conclusions can be drawn from them. The first and the foremost of these is the fact that between 200 and 350 thousand (more than 33%) of the Indian population were moving in and out of Burma annually. As is well known, the vast majority of them were labourers coming for short term stay in the labour-short Burma. They could never be considered as permanent residents

or settlers in Burma, yet they created the gravest political problems for all the Indians in Burma. While no true estimates of the Indians actually settled in Burma (except those for Arakanese Moslems stated earlier) were ever made, it could be safely said that such an estimate would omit a very substantial number of persons mentioned in Table 3 or Table 5. Had the census been taken in, say, July-August (as was done in 1872) when the labour market was dull, instead of in February-March, (busy season) the figures for the Indian population would have been probably much lower than those shown in Table 3.

It may be safely assumed, without any fear of contradiction, that more than half of the total number of immigrants or emigrants or say about 150,000 at least, were purely temporary residents; on this assumption the estimated Indian population in Burma (excluding Arakan Moslems) during the first four decades of this century would be as shown in Table 6 below:

Table 6.

Estimated Indian population in Burma (excluding Arakan Moslems).

Census	Total Population	Indian Population	Indian %
1911	11,275,321	395,298	3.5
1921	12,302,946	530,087	4.3
1931	13,658,611	745,024	5.4
1941	15,637,060	524,000	3.3

The real strength of the Indian community in Burma in the pre-war period was roughly as indicated above, excluding the casual labourers or seasonal immigrants who were merely birds of passage.

The British-Indian administration from 1826 to 1937 which associated Burma as a provincial unit of India and the absolute freedom of movements between the two countries from 1826 to 1941, did not swamp Burma with Indians as feared by Burmans and did not materially affect the predominance of the indigenous population; nor did the century old Indian migration encourage many Indians to settle down permanently in Burma. Indians seemed to have gone to Burma with half minds and divided attention as will be seen from the following figures of Burma Indians born in India in Tables 7 and 8:

Table 7.

Census	Lower Burma Excluding Arakan. Total Indians	Born in India	Percentage born in India
1881	129,566	113,644	87.7
1891	217,532	175,081	80.5
1901	324,097	281,680	86.9
1911	453,469	378,152	83.2
1921	556,053	438,696	78.9
1931	631,580	457,241	72.4

Table 8

Upper Burma

Census	Total Indians	Born in India	Percentage born in India
1901	70,282	61,738	87.8
1911	91,829	74,953	81.6
1921	124,034	95,721	77.2
1931	158,444	122,284	72.6

The figures for 1941 census are not available; they would have probably shown the Burma Indians born in India at around 66% - assuming that the previous trend in the falling percentages continued. The fact of the matter was that over two thirds of Indians in Burma were first generation Indians even after the community had lived in Burma for over one hundred years.

The unstable nature of the Indian community in Burma could also be seen from the age distribution and the sex ratio of Indians as given in the census report of 1931 and reproduced below in Tables 9 and 10:

Table 9

Age Distribution per 10,000 Males.[8]

Age group	Indigenous races	Indians (less Akyab)	Indians in Rangoon
0-5	1,397	565	329
5-10	1,282	535	362
10-15	1,186	576	448
15-20	916	1,023	1,092
20-30	1,724	3,051	3,410
30-40	1,380	2,389	2,638
40 and over	2,115	1,861	1,721
	10,000	10,000	10,000

[8]Bennison, J.J.:Census Report 1931, vol XI Burma Part I Rangoon Government Press, 1933. p. 77

Table 10. (1931 census)

Classification of Indian Immigrants by race and sex.[9]
Those born outside Burma (excluding Arakan), 1931.

Race	Males	Females	Females per 100 males
Bengali	35,126	4,682	13
Chittagonian	76,377	7,134	9
Hindustani	105,840	19,214	18
Oriya	55,986	1,920	3
Tamil	58,823	25,504	43
Telegu	108,701	23,026	21
Others	88,190	19,567	22
Total	529,043	101,047	19

Except in Akyab district, where the Moslem population is predominantly settled, the age and sex distribution of the Indian population were in a state of acute disequilibrium due to the presence of a large excess of immigrant males especially in the age groups of 15 years and over. The abnormal age distribution can be seen from Table 9 which shows 64.4% of Indian males as falling between the ages of 15 and 40; only 16.7% of Indian males were under the age of 15. The abnormality is still more marked in Rangoon where 71.4% of Indian males were between the ages of 15 and 40 and only 11% under 15. In Akyab district, the large settled Moslem community had the age distribution much closer to that of the indigenous races; 43% of the males were between the ages of 15 and 40 and 41% under the

[9]Bennison, J.J: Census Report 1931, vol XI -Burma Part I Rangoon Government Press, 1933 p. 62.

age of 15 - the corresponding figures for the Burmese races being 40.2% and 38.6% respectively.

While the Burmese and other indigenous races constituted a population with a normal sex distribution, the Indian races with the exception of Akyab Moslem population, showed a large excess of males. The very great sex disparity in the case of Indian immigrants can be seen from Table 10 above, where the overall sex ratio is shown as low as 19 in the 1931 census. It is very doubtful whether the 1941 census would have shown much improvement. For Akyab Moslems, the sex ratio was 93, nearly as high as that of other indigenous races, indicative of the settled nature of that community.

In short, the figures of Indians born outside Burma and the age and sex distribution of Indian immigrants to mainland Burma (excluding Akyab district) seem to indicate that even a large section of the Indians shown in Table 6 as permanent residents (or not belonging to the class of purely temporary or seasonal immigrants) had not, in all probability, made up their minds to settle permanently in Burma though most of them were probably in the regular or permanent occupation in Burma. Most of them had not evidently brought their families from India for settlement in Burma, as the high percentage of Indians born outside Burma

(Tables 7 and 8) would seem to indicate. The number of Indians born in Burma was, however, gradually increasing in later years. The preponderance of young and active workers (age groups 15 to 40 in Table 9) would appear to indicate that most of the Indians were coming to Burma to spend only the active working periods of their lives for purposes of earning money with a desire, possibly, to retire in India. The sex ratio (Table 10) is yet another indication of the unsettled nature of the vast majority of the Indian residents of Burma. Obviously, while the Indians were moving between India and Burma in large numbers, free from all restrictions as between the provinces of the same State, the actual number of Indians who had some permanent stake in the country was not really growing so fast and it is probable that even a majority of those presumed to be permanent residents (c.f. Table 6) had not after all come to Burma for permanent settlement.

Before concluding this chapter it may be desirable to indicate briefly the various races and places of India from which the Indians came and where they lived in Burma.

Appendix V compiled from the Census Report of 1931, classifies roughly the Indian community in Burma into various races and religions of India. It will be seen that practically most of the major Indian races and religions

were represented by Burma Indians. The Indian districts from which the largest number of Indian immigrants came were roughly as follows:

Table 11.

Districts in India	Numbers in thousands
Chittagong (East Pakistan)	88
Ganjam (Orissa)	49
Vizagapatam (Andhra)	36
Godavari (Andhra)	26
Fyzabad (Uttar Pradesh)	18
Tanjore (Madras)	14
Ramnad (Madras)	13
Sultanpur (Uttar Pradesh)	12
Calcutta (West Bengal)	11

Telugus came chiefly from Ganjam, Godavari and Vizag, Tamils from Ramnad and Tanjore, Bengalis from Calcutta and Chittagong and Hindustanis from Sultanpur and Fyzabad.

A map showing roughly the 1931 distribution of Indians in various parts of Burma as a percentage of total population is placed in a pocket provided at the end of this volume. It will be seen from the map that the largest concentration of Indians was in and around Rangoon. Akyab was a special case as mentioned earlier where Moslems were indigenous. In other areas, Indians were a small fraction of the population, except Mandalay where Indians (including Manipuri or Ponna settlers who could hardly be called Indians) constituted about 10% of the population. Similarly, Gurkhas who permanently settled in their own village

communities in Myitkyina district and the Shan States (like Moslems of Akyab district in Arakan) and constituted about 10% of the local population could hardly be called Indians. Nepal is a separate country from India and these Gurkhas, who probably came from Nepal and Tibet became indigenous or permanent settlers in Myitkyina. The ebb and flow of the fortunes of Indians in Burma could hardly affect Moslems of Akyab, Gurkhas of Myitkyina and the Shan States, and Manipuris of Mandalay who, for all practical purposes, belonged to the indigenous races of Burma.

To sum up: while nobody can say exactly what was the actual number of Indians who migrated to Burma with the intention to settle there, it is not very difficult to form a reasonable estimate of such population from the available materials. They probably constituted about 3 to 4 % of the total population as shown in Table 6. It is, however, difficult, if not impossible, to ascertain the number of Indians who had actually settled there on a permanent basis. One could only guess, and if one were to hazard a guess, one would say, on the basis of facts and figures discussed earlier in this chapter and from personal experience, that probably not more than 50% of those shown in Table 6 or say, a number not exceeding 300,000 (less than 2% of the total

population of Burma) could be classified as permanent residents of Burma. They represented practically all the States, races and religions of India, though a majority of them came from Madras, Bengal and Uttar Pradesh (U.P.). They were spread all over Burma, though a majority of them were living in Rangoon and other urban or industrial centres for reasons which we shall discuss when we deal with their occupations in Burma.

CHAPTER II

OCCUPATION OF INDIANS IN BURMA

Sir George Scott an eminent authority on Burma,[1] expressed a fear towards the end of the 19th century that, in no time at all, Burma, or at any rate the large trading towns of Burma, would, for all practical purposes, be almost certainly absorbed by Chinese traders, just as Singapore and Penang were virtually Chinese. He said that unless some marvellous upheaval of energy took place in the Burman character, the Chinese were almost certainly destined to overrun the country to the exclusion of the native race. However, in the first three decades of the 20th century, Chinese interests and the Chinese population did not greatly increase; instead, the vacuum was filled or, according to Burman nationalists, overfilled by Indians. The Chinese could have easily spread out in Burma. As predicted by Sir George, there was nothing to prevent them from doing so, except possibly the Indian competition. Over 15 million Chinese now live prosperously in Southeast Asia and have certainly proved their ability to adjust themselves to all

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[1] cited in B. R. Pearn; Racial Relations Studies, No.4. Indians in Burma (England, South Malvern: Le Play House Press, 1946). p.22. Sir George was a high administrative officer in Burma and author of several books on Burma.

hazards of life in the countries of their adoption. Whether the prospects for Burma would have been any better under such conditions is another matter. But a kind of vacuum existed in Burma and it had to be filled under compulsions of the then prevailing political conditions and international trade, over which neither Burma nor India as dependencies of Great Britain had any choice or voice. Britain's imperial policy required a trouble-free Burma devoid of Chinese influences. Burma being a part of British India, an Indian community fitted better.

Sir Charles Morgan Webb, who was Census Commissioner for the 1911 census, welcomed Indian immigration into Burma in the following words:

> "In view of the prevailing tendency to assume that the Burmans as a race are doomed by the modern incursions of Indians into Burma, it seems necessary to emphasize the fact that the existence of the Burmese as a powerful and wide-spread race is due to Indian immigration. Just as in the past, the Burmese tribes assimilated what was essential and what was advantageous from the immigrant Indians and evolved a highly individualised racial existence from the amalgamation, there is reason to believe that the present phase of Indian immigration is strengthening rather than weakening the hold of the Burmese on the province [Burma]".[2]

Almost similar views were also expressed by Sir S. G. Grantham

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[2] cited in E. J. L. Andrews; Indian Labour in Rangoon: Oxford University Press, 1933, p. 29.

who was Census Commissioner for the 1921 census:

> "To a nation alive to the conditions, the present number of Indians and their rate of increase offer no menace. There will be room for them always....Indians may come to Burma and work for the advantage of both themselves and of Burma; there are no signs that they will within any reasonable time dispossess the Burmese and convert Burma into an Indian country. Those who come only for a short time can not do this. Those who stay will tend to be absorbed as they are being absorbed now".[3]

Economically Burma made phenomenal progress in all directions during the first three decades of this century. Sir Charles Innes, the Governor of Burma demonstrated the progress made by Burma in one generation (from 1901 to 1928) with the aid of the following statistics:[4]

	1901	1928
No. of factories	172	1073
No. of employees	25,000	102,000
No. of Jt Stock Companies	25	295
Total paid up Capital	Rs. 6,000,000	260,000,000
Value of Seaborne Trade	Rs.400,000,000	1,100,000,000
Road Miles	6,344	9,298
Railway Miles	1,124	1,908
Railway Passengers carried	11,000,000	37,100,000
Railway goods carried (Tons)	1,500,000	5,700,000
No. of schools (other than Monastic)	18,284	25,572
No. of pupils (other than Monastic)	316,000	750,000
No. of Hospitals	119	303

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[3] cited in Narayana Rao; Indian Labour in Burma; Keshari Printing Works, Madras, 1933, p. 58

[4] Report of the Burma Banking Enquiry Committee, 1929-30; Government Press, Rangoon, 1930, p. 31.

In order to achieve such progress, Burma desperately needed resources in capital, man power and materials in tremendous volume and these were freely drawn from India as and when required. However, the growing number of Indians entering Burma under unrestricted immigration and their heavy concentration in ports of entry (particularly Rangoon) and other industrial areas caused alarm in the Burmese mind. But was there really any good reason for such alarm? Who are these Indians and what did they do in Burma to cause such alarm? An examination of their occupation seems to indicate that there was no justification for such alarm, voiced particularly by certain politicians and interested agitators.

In the chapter on population, we have seen that though the total number of Indians reached a million mark by 1931 or about 5 or 6 % of the total population, most of them were of a migratory type coming for short periods and that a much smaller number, probably not exceeding 300,000 Indians (or about 2% of the total population) could be considered as permanent residents of Burma. This was not a large number for a country like Burma, which, in territory, was the largest State of the Indian Empire and the most under-populated. There was enough room for everybody. The number of Indians therefore gave very little cause for alarm.

It is, however, necessary to examine whether the

occupations of Indians in Burma gave any real cause for alarm. We have to see if they were usefully employed or proved surplus to Burma's requirement and whether they were in competition with Burmans in the field of employment and displacing the Burmans.

Generally speaking, three classes of Indians came to live, work or seek their fortune in Burma. First: the capitalist or trading class - a very small number thoroughly conversant with methods of international trade, banking, commerce and industry, and willing to invest heavily. Like all owners of private enterprises all over the world, they naturally desired to enrich themselves but they did at the same time enrich Burma as will be seen from figures quoted by Sir Charles. We need not go far for example; the small Parsi community of India,coming from outside, has been at the root of industrialisation in India; the same may be said of the immigrant Jewish community in many countries; in fact Burma was fortunate in attracting Parsis, Jews and Chettiyars from India along with large European firms which were at the root of Burma's prosperity.

Second: another small but urgently needed intellectual class consisted of teachers, professors, doctors, engineers, lawyers, accountants, clerical and administrative staff which were in short supply until the late 1930's. They, together

with Europeans (filling the higher ranks in all branches of administration) were the pioneers in setting up modern educational, medical, executive, judicial, revenue and municipal systems of administration in Burma. As modern education spread and Burmans became available to take charge of these, Indians and Europeans were either allowed to die out or were replaced by Burmans. As a matter of fact, by the late 1930's, Burmans formed a large majority in all class I services or Superior posts (Europeans forming the second largest group and Indians a poor third); class II or the middle ranks were almost wholly Burmanised; in class III (clerical) Indians were being rapidly replaced by Burmans. After the introduction of Dyrachy in January 1923, no Indian who was not domiciled in Burma could enter service under Government or local bodies (except in class IV as menials, sweepers, messengers etc. which did not attract Burmans).

Third: the labouring class, both skilled and unskilled workers who were needed in great numbers, to meet the growing demands of the economy which could not be met from local supply. Barring the two small upper classes mentioned above, i.e. the fairly rich capitalist class and the intellectual middle class (who were never rich), the vast majority of Indians constituting not less than 99% of the immigrants

belonged to the low paid working class, mostly illiterate, accustomed to hard work and exploited both at home and abroad.

Accurate figures relating to the occupation of Indians are not available, because there was no system of registration or employment exchanges or a detailed classification of jobs or salary scales according to specific industries. However, adequate materials are available in the decennial census and in various Government reports from which certain general but fairly correct conclusions can be drawn. At the 1931 Census an attempt was made to classify the male earners in the population according to the nature of the work they performed without regard to the industry in which it was done. All "earners" were defined as persons whose income represented a considerable proportion of the amount required for their maintenance and included members of an "earner's" household whose time was largely spent in assisting him in his work (such as a son working full time with his father in the field or industry). In addition to "earners", there were their male "working dependents" who returned an occupation but whose income did not represent a considerable proportion of the amount required for their maintenance. They were probably dependent minor children and/or old parents.

The number of male Indians classified as "earners" and "working dependents" at the 1931 census was 586,508 or about 9.4% of all earners and working dependents in Burma and they were shown under four broad categories:

Table 1.

	Number	Percentage
Production of raw materials:	175,960	30.00
Exploitation of minerals:	15,000	2.5
Industry, transport and trade:	302,508	51.5
Public administration, liberal Arts and professions:	38,235	6.5
Miscellaneous occupations (including domestic services):	54,803	9.5
Total..	586,506	100.

The Baxter Commission's Report[5] on Indian Immigration, 1941, classified the Indian "earners" and their "working dependents" according to their occupations as follows (presumably excluding Arakanese Moslems who were indigenous to Burma):

Table 2.

	Number
(a) unskilled and semi-skilled: (largely in industry and transport)	206,555
(b) Agriculture, Fishing and Hunting:	140,523
(c) Traders, Shop Assistants:	82,549
(d) Craftsmen:	48,305
(e) Clerical:	20,000
(f) others:	32,942
Total.....	530,874

[5] Report on Indian Immigration: Government Printing Works, Rangoon, 1941. p. 106.

Thus, if the Arakanese Moslems were excluded, the actual percentage of Indian earners and their working dependents would hardly exceed 8% of the total earners and working dependents in Burma who were estimated at 6.2 million at the 1931 census. The overall percentage of Indian workers was, therefore, not high having regard to the fact that Indians in 1931 constituted about 6% of the total population in Burma (see Table 3 in Chapter I) and that they were preponderately males.

A second general conclusion that can be drawn from Table 1 above is that the percentage of Indians in exploitation of minerals (2.5%), public administration (6.5%) and in miscellaneous occupations (9.5% which included 4.1% domestic servants) was not very high. Indians in large numbers were, however, employed in production of raw materials, mainly in agriculture (30%), and in industry, transport and trade (51.5%). There were special reasons for it and these may be discussed briefly.

The number of Indians engaged in agriculture appears high at first sight, but they really constituted only 2.7% of all persons engaged in agriculture. The balance of 97.3% were indigenous agriculturists. Sir Thomas Couper (who later became Finance Member of the Governor's Executive Council) wrote in his Report on the Conditions of Agricultural

Tenants and Labourers in Burma, 1926:[6]

> "Indian immigration is seasonal; the labourers begin to come in November and return in April. It is the number which stays behind in Burma (estimated at between 30,000 to 40,000 per year) competes directly with the Burmese labourer and tenant. The others who come and go do not depress the rate of agricultural wages ....It takes eight men to reap what five have ploughed and without a seasonal influx of reapers, so large an area could not be placed under the plough, as is done now."

Thirty or forty thousand Indians who might have stayed behind were hardly a big number for a large country like Burma to come into direct competition with the Burmans. During the off-season, some of them used to remain unemployed and others were engaged in rickshaw pulling, earthmoving, road work or such other type of hard manual work not ordinarily done by Burmans. The death rate among immigrants estimated at over 30,000 per year would alone wipe out the surplus.

As regards industry, transport and trade, Indians constituted only 15.7% of the total workers. Therefore numerically, they were not so large as might appear. But Indians contributed more than half of the technical or skilled personnel required in these fields - the most essential force made available at a time when it could not be found

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[6] Report on the Conditions of Agricultural Tenants and Labourers, 1926: Government Printing, Rangoon, 1927. p. 51.

from indigenous sources to meet the growing needs of an expanding economy. They were the essential workers for railways, inland water transport, road transport, electricity, post and telegraph, telephone and radio communications, and the vast industrial complex built around Burma's natural resources including minerals, mineral oil, timber, rice and other agricultural and forest products, all of which made phenomenal progress during a short space of three decades. Though some of the largest enterprises were sponsored by the British, others were mostly India-based operations and without Indian contribution in men, materials and capital, Burma could have hardly made such progress as she did within so short a period.

In trade, Indians constituted only about 17.3% of the total workers, but out of 10,914 engaged in big business, such as Banking, Insurance and Export and Import, about 6,290 or 57.6% were Indians. Except those who were prominent in trade and business in urban areas, the great majority of the Indian traders and shop assistants were small shopkeepers (including also some bazaar sellers and hawkers). They were, however, very enterprising and carried the trade in local and foreign merchandise to the furthest corners of Burma. With a small capital of their own and a good

reputation for fair dealing, they used to function mostly on sums borrowed from bankers or money lenders or on credits extended by large firms. They had formidable competitors in Burmese women traders who were excellent shop-keepers and often more educated and intelligent.

Abstracts of figures re-sorted from the 1931 census give the number of male Indian earners classified as craftsmen and skilled or unskilled workers in industries and professions as follows:

Craftsmen	59,115
others, skilled and unskilled ...	195,749
Scavengers and sweepers	6,705

The number of scavengers and sweepers needs no comment, except that (apart from vultures and crows which served as nature's scavengers) only Indians were available for this much despised but most essential work in Burma. As regards the craftsmen and skilled and unskilled workers, a rough classification (Table 3) attempted by the Baxter Commission may give some idea of the number engaged in various occupations:

Table 3[7]

Abstract of figures for craftsmen, semi-skilled or unskilled workers by profession

Occupation	Craftsmen	Semi-skilled or unskilled.
1. Metallic Minerals:	440	6,062
2. Extraction of Mineral Oil:	800	6,120
3. Cotton weaving and spinning:	44	180
4. Wood industry:	2,305	7,121
5. Metal industry:	5,818	-
6. Ceramics:	869	-
7. Chemical products:	1,273	8,215
8. Refining of mineral oils:	1,102	5,999
9. Rice industry:	1,243	28,573
10. other Food Industries:	1,328	1,549
11. Industries of Dress:	11,557	6,649
12. Building Industries:	5,652	-
13. Construction of means of transport:	1,328	1,471
14. Physical Force:	379	380
15. Transport by Water:	3,309	35,766
16. Transport by Road:	2,065	33,114
17. Transport by Rail:	3,090	14,363
18. Public Administration:	569	10,445
19. Domestic Service:	11,242	12,604
20. other Specified occupations	5,416	5,441
21. Printers, Book-binders, compositors:	2,300	-
22. Makers of Jewellry and ornaments:	1,708	-
23. Post and Telegraph department:	96	1,578
24. Medical:	402	752
25. Letters, Art and Science:	152	848
26. unspecified:	361	17,691

A brief explanation of the items mentioned in Table 3 appears necessary:

1. Metallic Minerals. The figure includes the Indian

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[7]Report on Indian Immigration, 1941: Appendices 15(a) and 15(b). Government Printing, Rangoon; 1941. p. 145-146.

employees of the Burma Mines (silver and lead) at Namtu, Northern Shan States, and of the tin mines in Kerenni State and Tavoy and Mergni districts of Burma - all difficult and unhealthy areas where indigenous labour was not available in sufficient numbers.

2. Extraction of Mineral Oil. They formed a part of the trained oil-field labour of Burma Oil Company, Indo-Burma Petroleum Company, etc. employed on exploration, drilling and other works in Thayetmyo, Minbu, Magwe and Pokokku districts. Burmans were gradually trained and appointed in larger numbers by oil companies during the 1920's and 1930's in their oil fields.

3. Cotton weaving and spinning. Mostly Burmans were appointed for spinning and weaving even in Indian owned mills. The small number of Indians were employed on heavy work such as baling, loading and unloading.

4. Wood industry; Most of these were experienced sawyers - over 7,500 of whom were employed in large saw-mills owned by European firms which were responsible for introducing the famous Burma teak and hardwoods in the world market. Indians constituted only 9% of the workers in this industry; the rest were indigenous.

5. Metals. These skilled workers, drawn from the metal industries in India, were employed on fabrication of

iron, steel, aluminium and bronze metals and also worked as tinsmiths or blacksmiths in factories. They were about 28.7% of the workers in this industry.

6. Ceramics. This small number of highly skilled Indian workers were employed by modern crockery, glass or pottery works. The industry was almost entirely carried on by indigenous labourers who formed over 93% of the workers.

7. Chemical Products. The industries included soap, edible oil, cosmetics, medicine and other branches of chemical works for which trained workers came from similar factories in India; they also included the druggists dealing with the western system of medicine; Burmans came to this profession rather late. Indians represented about 54% of the workers.

8. Manufacturing and Refining of Mineral Oil. Most of these Indian workers were employed in Burma Oil Company's Refinery at Syriam near Rangoon - the then largest petroleum refinery in the Indian Empire. Nearly half the workers were Indian.

9. Rice Industry. About 600 rice mills in Burma, some of which (owned by big European firms) were the world's largest rice mills, employed Indians in large numbers, on very poor wages, mostly for hard manual work not ordinarily done by Burmans. The Report of the Royal Commission on

Labour said that[8] nowhere in India, the responsibility of labour is delegated to the extent it is in Burma - the extreme case being that of the leading factory industry - rice-milling; the result is heavy extraction by unscrupulous Maistry (labour contractors) through unfair distribution of work, heavy arrears in wages and oppressive deductions from wages. Indians represented about 26% of the labour force employed in rice mills.

10. Other food Industries. Indians played important parts in running hotels, cafes and restaurants. According to one estimate, they numbered about 9,500 constituting 45% of the workers engaged in this industry.

11. Dress Industry. Indians, constituting about 26% of the total workers in this industry, included mostly the Moslem tailors and dressmakers and their assistants who were first in this field. They were usefully employed all over Burma but had formidable competitors in Burmese ladies who were also expert dressmakers.

12. Building Industries. Bricklayers, masons, plumbers and electricians were mostly Indians; carpenters were mostly Chinese and Burmese. The Public Works Department and private construction firms were the main employers. About 14% of the workers were Indians.

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[8]Report of the Royal Commission on Labour, 1928; p. 236

13. Construction of means of transport. Shipbuilding industry of the Irrawaddy Flotilla Company, Government Dockyard and Port Commissioners employed Indians for assembly and repair of steam launches for inland water transport. There was a small industry for construction of bus and tramway frames and bodies, horse wagons, carts, etc. About 46% of the workers were Indians.

14. Physical Force. Indians, particularly ex-soldiers or ex-policemen, were appointed as armed guards or night watchmen for offices, factories, private households, etc. for the protection of persons or property.

15. Transport by Water. About 51% of the workers in this industry were Indians. These included the large number of Indian crew, launch drivers, mechanics, etc. employed by the Irrawaddy Flotilla Company to man its large fleet of launches providing inland water transport all over the riverine districts of Burma. They were recruited mostly from the sea-faring tribes of Bengal who still act as professional seamen on ships of all nationalities in many parts of the world. They also included those employed in country-boats used for loading and unloading paddy, rice and other heavy cargoes.

16. Transport by Road. There were Indian employees of Electric Tramway, motor bus and taxi companies, private

car and lorry drivers, cart-men, road coolies, etc. The number included also thousands engaged in rick-shaw pulling, one of the most inhuman and dangerous occupations still practised in many parts of the orient. About 35% of the workers in road transport were Indians.

17. Transport by Rail. Indian predominance was most marked among railway employees, nearly 70% of whom were Indians spread over 2,000 miles open to railway traffic. They acted as subordinate technicians in Railway workshops, railway station staff, railway drivers, signallers, guards, maintenance crew, clerks, accountants, etc.

18. Public Administration. About 30% of the subordinate staff were Indians including trained accountants, clerks, technical personnel and low paid messengers, jail warders, sweepers, etc. The number does not included Indians employed in the Army and Police Force for whom separate figures will be given later.

19. Domestic Service. These Indians worked as cooks, butlers, valets, scavengers, sweepers, water carriers, dish washers, shoe-shines, gardeners, baby sitters, etc. in the homes of all races in Burma.

20. Other Occupations. Included among these are barbers, washermen, milkmen, shoe-makers, butchers, leather workers, etc. practically all of whom were Indians.

21. Printers, book-binders, compositors. They were employed by Government Printing Works in Rangoon and Maymyo and also by private printing works and newspapers. Burmans in sufficient numbers were not available at the absurdly low rates of pay offered to such skilled workers.

22. Makers of Jewellry and ornaments. Burmans were very good jewellers; but works of Indians jewellers were also greatly appreciated by Burmese ladies who had great taste for fine jewellry.

23. Post and Telegraph Departments. Indians were employed as clerks, telegraphists, postmen, telegram messengers, telephone and telegraph lines maintenance workers, etc. They filled about 32% of the posts in these Government departments.

24. Medical. The medical profession included Indian doctors in Government service and in private practice all over Burma - practising western or British systems of medicine. They were rendering a vital service in Burma when Burman doctors in sufficient numbers were not available. In 1931, out of 1,318 Registered Medical Practitioners practising the British system of medicine, no less than 771 or 58% were Indians.

25. Letters, Arts and Science. Included High School teachers, college professors, lecturers, etc. The number of qualified Burmans in these and other fields of learning and

liberal arts was not adequate during 1900-1930 until Rangoon University graduates were coming out in good numbers from the early 1930's.

26. Unspecified. It is not clear who are included in this category; but they probably include the large number of dock labourers not included under other headings and those Indians who did not state their occupation in the return submitted to the Census Commissioner in 1931.

It should be clearly understood that Table 3 does not include all Indian workers in all occupations in Burma. It is merely an attempt to classify male Indian earners only (and not their working dependents or other members of their families) according to certain specified occupations. There are some significant omissions (as far as can be perceived). For instance, the table does not give the number of Indians in the Army and Police Force; at 1931 Census, the Army had 5,281 persons of whom 2,127 or about 41% were Indians; out of 25,598 persons in the Police Force, 11,868 or about 46% were Indians; there were nearly 1,000 Indian lawyers (about 18% of all lawyers in Burma); the medical profession included 3,130 Indians (including probably those shown in the table); there were about 1,829 Indian property owners who had no occupation but who lived on their own income; in the profession of letters, art and science,

there were 10,418 Indians (including probably those shown in the table). But despite these omissions, Table 3 gives a fair idea and a broad classification of the occupations of Indians in Burma.

Appropriate statistics relating to the wages of Indians are not also available. There were no fixed minimum wages, nor any prescribed scales of pay for the skilled and unskilled workers except in the case of those employed by the Government. A few of the typical Government scales of salary summarised below from the old establishment returns attached to the Budget Estimates of the Government of Burma may offer some guidance in understanding the extent of remuneration payable (but not often paid) by other employers in Burma.

	Minimum and Maximum monthly salary. (Approximately)
1. Unskilled labour: Messengers, peons, sweepers, scavengers, gardeners, watchmen, crews of Government vessels, etc.	Rs. 15 to 30 (£1. 4s. to £2. 8s.)
2. Semi-skilled labour: Police constables, jail warders, Labour supervisors, launch drivers, motor car or lorry drivers, brick layers, etc.	Rs. 30 to 40 (£2. 8s. to £3.)
3. Skilled labour: Electricians, plumbers, welders, mechanics, cooks, butlers, masons, carpenters, etc.	Rs. 40 to 60 (£3 to £5)

		Minimum and Maximum monthly salary. (approximately)
4.	Lower grade clerks, book-keepers, surveyors, sub-overseers, druggists, record keepers, works supervisors, etc.	Rs. 40 to 80 (£3 to £6)
5.	Upper grade clerks, accountants, foremen, sub-engineers, or overseers, sub-assistant Surgeons, or Hospital Assistants, etc.	Rs. 80 to 160 (£6 to £12)
6.	Head clerks, Head Accountants, High School teachers, Head foremen, etc.	Rs. 160 to 275 (£12 to £20)

There was a small number of Indian officers in Superior grades on salaries ranging from Rs. 300 to Rs. 900 per month (£22-£66) and a few others in Class I or Superior Civil Service (basic pay about Rs. 400 to 1,500 per month and selection posts about Rs. 2,000 to 2,500 per month), but they were either mostly domiciled in Burma or their services were borrowed for short terms from India. Three Indians occupied the posts of High Court Judges (pay Rs. 4,000 per month) and a few were promoted to the ranks of Heads of Departments e.g. Inspector-General of Prisons, Directors of Public Health, Secretary to the Government, Accountant-General, etc. (on pay ranging from Rs. 2,000 to Rs. 3,000 per month). These were exceptional cases.

The great majority of Indian workers, however, fell within the first four categories mentioned above; only a

few could rise above those grades, as higher grade posts were extremely limited in number. A few big European firms used to pay a slightly higher remuneration (including some fringe benefits such as free quarters, free medical services etc.) than those paid by the Government, but most other private employers normally paid much less than the Government. On the whole, remuneration in the private sector depended very much on the generosity of the employer and the Maistry or labour contractor who used to make large deductions from the wages of the labourer for the alleged services rendered to him.

In Burma, the labour wages never depended on the bargaining capacity of the labourers who were hopelessly disorganised. Trade Union movement, particularly among Indian workers, made little progress and attempts made from time to time to organise trade unions and strikes did not meet with success. The illiteracy of the majority of labourers, the racial, linguistic and religious differences among persons coming from different parts of India, lack of leadership and unrestricted immigration stood in the way of their joining together and joining hands with Burmese labour (who were equally disorganised) in properly constituted trade unions. The employers and their associates, particularly Maistry or labour contractors, could therefore

dictate their own terms and get away with it.

A strike[9] organised in May, 1924 by Indian dock workers against the oppressive methods applied by labour contractors in which rickshaw pullers and cartmen also joined, failed to produce any results and fizzled out due to prolonged sufferings from hunger and unemployment. Another strike by a comparatively better organised union of over 3,000 Indian crew of the Irrawaddy Flotilla Company in August, 1925, failed because the Company succeeded in importing fresh batches of Indian crew to break the strike. Another strike of about 5,000 Indian dock workers in May, 1930 resulted in an anti-Indian riot and massacre of Indian coolies when Burmans appointed as strike-breakers were found unsuitable and dismissed by the employers and Indians were recalled to take their place with slight improvement in their salary. In 1938, a strike of Burman oilfield workers, organised by a leftist political party (Thakins), in which Indian labour did not participate, ended in failure and disorder.

The agricultural depression and Saya San rebellion in rural areas during 1930-1931 compelled a number of unskilled Burmans to leave their villages for towns in search

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[9] Narayan Rao: Indian Labour in Burma, Keshari Printing Works, Madras, 1933. p. 184-185.

of security and employment. This situation was exploited by certain politicians to create tensions between Indian and Burmese labour. For two generations, Indians were filling the gaps for which no Burmans were available; they were not competing with Burmans, who were normally preferred by employers for jobs they were willing to perform; nor were the Indians replacing Burmans anywhere - quite the reverse. As a matter of fact a clear cut division of work developed between the Indian and Burman labour - sanctioned by usage and mutual toleration - Indians filling only those positions which Burmans would not normally accept. Further, it would appear that by a vast majority, Indian labour were in humble and unenviable positions, doing hard work on low salaries, yet providing the kind of skilled and unskilled labour much needed by Burma at a vital period of her development. The Baxter Commission which at the instance of Premiers U Pu and U Saw examined in 1940 all aspects of Indian immigration came to the following conclusion on this point:[10]

> "There is no evidence of any kind to suggest that Indians have displaced Burmans from employment which they had previously obtained. The whole history of the development of Burma

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[10] Report on Indian Immigration: Gov ernment Printing Works, Rangoon, 1941. p. 106-107.

> "during the last few generations suggests that there has been a general division of work between the two races and therefore Indian labour in the past has been supplementary rather than alternative to Burmese labour. The Indian immigrants came in for three major purposes: first in importance on account of the large numbers involved, were Indian labourers who came in to do the heavy manual work for which Burmese labour because of the phenomenally rapid expansion of the area brought under cultivation, was not available and which was moreover uncongenial to them; Secondly, the Indian traders and business men, who came into the country with access to capital and saught opportunities for the exercise of their commercial instinct; and thirdly, the Indians with some degree of clerical or technical training who were introduced into public bodies such as Railways and commercial firms, before there were adequate numbers of educated and trained Burmans seeking similar appointments".

The Baxter Commission included the Hon. Mr. James Baxter, Financial Adviser to H.E. The Governor of Burma, a great friend of Burma and Burmans, U Tin Tut, a Cambridge trained economist and the senior Burman in the Civil Service and Mr. Ratilal Desai, an Oxford graduate and Indian businessman in Burma. Their assessment may be regarded as both authentic and impartial.

CHAPTER III

INDIAN LABOUR[1] AND IMMIGRATION

The system of immigration of Indian labour into Burma, the methods of recruitment and payment of wages and the conditions under which the labourers lived and worked in Burma were so unsatisfactory that these had hardly any parallel in any other part of the civilized world. During the first half of this century, the inhumanity and indignity suffered by these labourers in Burma bordered on those extended to the slaves of earlier days. These therefore, deserve to be specially discussed in this chapter.

There was an Indian Emigration Act, 1922 under which information had to be furnished to every emigrant labourer about the nature of work awaiting him in a foreign country, the hours of work per day, the day of rest, the wages generally offered, the arrangements available for housing and treatment during sickness, the cost of living, facilities for education and other matters. To prevent fraud, every

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[1] Mr. A. Narayana Rao's "Indian Labour in Burma", Keshari Printing, Madras, 1933;
and Mr, E. J. L. Andrew's "Indian Labour in Rangoon", Oxford University Press, 1933 contain valuable information on Indian labour in Burma. Mr. Rao represented Indian labour in the Burma Legislative Council for several years. Mr. Andrew was Labour and Immigration Officer, Rangoon, for a long time.

intending emigrant had to appear before a Magistrate for examination before he was permitted to leave India. This Act did not, however, apply to emigrants to Burma because Burma was then a province of British India, though for all practical purposes it was as foreign to Indians as any other country.

During the entire period of the British administration, immigration of Indians into Burma therefore remained free and unregulated. The recruitment of Indian labour for work in Burma naturally fell into the hands of two of the most unscrupulous types of people, namely the Shipping Agents of companies plying steam ships between India and Burma and the Indian Labour Contractors popularly known as Maistry. The shipping agents tried all kinds of tricks to canvass passengers for their ships; they had their representatives or middlemen at various centres in India who regularly visited distant villages where poverty and distress prevailed, broadcast the advantages of emigration by means of tom-toms, leaflets and other devices to attract passengers. The Maistry, who usually worked in concert with the shipping agents, was more dangerous; his job was to contract labourers, arrange for their transport, food, accommodation and some small remittance to their families, all on the basis of loans at high interest recoverable from the wages to be

earned by the labourers. The employers in Burma depended mainly on Maistry for supplying the labour as and when required and they made payments of wages through the Maistry who, with the permission or connivance of the employers, could make regular, and often heavy, deductions from such wages for meeting his expenses and commission and for the recovery of his loans with compound interest.

By the time a labourer had secured employment in Burma, he was already heavily indebted to his Maistry and was contractually bound to serve till he could repay his debts; and the Maistry could always be sure that the labourer would never be able to repay his debts in full. Under the Workman's Breach of Contract Act, 1859, which remained in force until 1925, the Maistry could seek the assistance of law courts if a labourer deserted him before a full settlement of his debts. The Magistrate could sentence the labourer to imprisonment or direct him to perform his contractual work until the repayment of his debts. This Act was repealed in 1925, but that did not improve the lot of the labourer. Under the ordinary law of contract and the civil procedure code, a labourer could still be required to sign a valid contract of service for a definite period and give promissory notes for his debts subjecting his wages to deductions towards repayment. Being mostly an illiterate,

he was often required to sign or thumb-impress a blank contract form to be "properly filled in" by his "good friend" the Maistry.

The crux of the Maistry system was that the recruitment, employment, control, payment of wages and dismissal of labour were all entrusted to the labour contractors known as Maistry. The relationship between the real employers and the employees was impersonal - the Maistry being the channel of communication in all matters. A labourer therefore had to depend largely on his Maistry for payment of wages and his take-home pay could be much less than what he actually earned from his employer.

In an earlier chapter, we have given a rough indication of the meagre wages which could be expected by the Indian labourers in Burma from the Government and private employers. The following official statistics relating to the wages paid by a few British-owned major industries would indicate what he could expect from some of the highest and best employers in the private sector:

Table 1.

The daily wage rates recorded in the quinquennial census of Burma, 1916.

	Minimum			Maximum		
	Rs.	As.	P.	Rs.	As.	P.
Rangoon Rice Mills		8.	5.	1.	8.	0.
Rangoon Saw Mills		7.	6.	1.	0.	0.
Magwe Oil Fields		9.	7.		13.	10.
Mergui Rubber Plantation .		8.	0.		12.	3.

Table 2.

Wage rates published by the Labour Statistics Bureau, Rangoon, 1928.

Monthly wages of the Irrawaddy-Flottilla Company	Rs.	As.	P.	Daily rates of the Burma Oil Company	Rs.	As.	P.
Launch Driver :	41.	8.	0.	Driller:	1.	4.	0.
Assistant Driver:	35.	8.	0.	Machine man:	1.	3.	0.
Semi-skilled Crew:	30.	0.	0.	Boilerman:	1.	2.	0.
Unskilled Crew:	25.	0.	0.	Blacksmith:	2.	3.	0.
				Carpenter:	2.	3.	0.
				Bricklayer:	2.	2.	0.

Briefly, the average daily wage ranged more or less between one and two shillings (in equivalent exchange value in those days). In addition, a few British companies only granted some fringe benefits such as free accommodation in the mill area or plantation and free medical service. There was a little improvement in wage rates in the late 1920's due to inflation, but the[2] daily wage of an unskilled labourer hardly exceeded one rupee and eight annas, say, two shillings a day and that of a skilled labourer - three to four shillings a day. It would appear that, after meeting his Maistry's demands, a labourer could hardly earn any more than what was required for his own maintenance and if he were to save a little for his family in India, he would be condemned to

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[2]Andrews: E. J. L. Indian Labour in Rangoon, Oxford University Press, 1933. p.p. 56, 70-71.

a sub-human standard of living (which was the case with a majority of them in Burma). For him there was no overtime payment, usually no Sundays, nor any leave with pay - the daily wage being payable for working days only. The working hours were usually 10 to 11 hours a day, often without any break for meals.[3] The Royal Commission on Labour recommended some improvement in working hours, wages and overtime payments, but the recommendations remained ineffective. The Burma Factories Act generously prescribed - "no person shall work more than 60 hours in any week". The Royal Commission on Labour regretfully recorded:[4]

> "Indian labour (in Burma) suffers from all the disadvantages of being in a foreign country and serving there for a short term. It is mostly unskilled and leaderless and is divided into races that are not likely to combine among themselves and is still less likely to combine with Burmese labour. There is no Indian Province where industrial workers are less organised than in Burma and there appears little prospect, in the near future, of the effective and permanent organisation of the mass of Indian labour. The employers are in

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[3]Andrew: E. J. L. Indian Labour in Rangoon, Oxford University Press, 1933. p.p. 56, 70-71.
also Narayan Rao: Indian Labour in Burma. Keshari Printing Madras, 1933. p. 146.

[4]Report of the Royal Commission on Labour, 1928. Government Printing, Rangoon, 1929. p. 441.

> "a position to ensure that their claims and difficulties receive adequate consideration; the workers whose need of consideration is greater, are not vocal. In many cases owing to the prevalence of Maistry system, they are not able to process their needs on the firms under which they are employed."

All these criticisms were written in vain; there was no change in the system up to the time of the British withdrawal from Burma. Disorganised, leaderless and heavily indebted up to the end of his life, the earthly possession of the labourer continued to be a mat, a cotton blanket, a cooking pot and a pair of cotton cloths; his living quarters were confined to a grave-size floor space reserved by his Maistry in an overcrowded shanty somewhere in Burma.

The ships which carried Indian labourers, at their own cost, between India and Burma - a journey covering five to six days - were not fit to be used even as cattle-holds though they transported their human cargo in thousands during all seasons. Mahatma[5] Gandhi described his journey to Burma in one of these ships as follows:

> "There is deck accommodation on board S.S. Arnoda for about 1,500 persons, though in the busy season this limitation is overlooked. There are for the use of these 1,500 passengers (or more) two tiny bathrooms and 12 latrines in sets of 4 for men and two bathrooms and 8 latrines for women. This gives

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[5] Young India: edited by Mahatma Gandhi, April 11th, 1929

> "an average of one latrine to 75 passengers and one bathroom to 375 passengers. There is only a sea-water tap in the bathroom but no fresh water tap, nor any facility whatever for keeping clothes in a dry place while one is bathing. Either the bathrooms have no latches or the latter are out of repair...The space used as urinal is open to view and is not curtained by any partition...There is a sort of a running corridor in front of each set of latrines through which the passage to bathrooms also lies. Dirty water and urine from the latrines flow into this corridor and owing to faulty drainage, instead of discharging itself through the drain, the foul water continues to roll to and fro on the floor with the rolling of the ship...The lower-most deck is nothing better than a black hole. It is dark and dingy and stuffy and hot to the point of suffocation...There is no direct access to the sea-air...There are no refuge-bins or receptacles for the rubbish. So the passengers spit, squirt their betel-nut chew and throw orange peels and such rubbish on the floor....."

The conditions under which Indian labour lived in Burma defy description. As early as 1878-79, the Report of the Rangoon Municipality recorded that Indian coolies were living in "houses in a very dirty state with few small doors and windows; in one house in 29th Street, there were found in one room 23 inmates - the dimension being only 18 x 14 feet". In his report for 1882, the Health Officer of Rangoon reported "the health of the city is at all times of the year threatened by arrival of thousands of coolies

"by steamer from Madras."[6] There was not much improvement in this position even in the 1930's. The Public Health Committee of Rangoon, appointed by the Government in September, 1926 reported:

> "In one room where we counted 50 coolies, the number allowed by regulation was 9. The conditions are indescribable. Every inch of the floor space is occupied by a sleeping human being and others are to be found on shelves and bunks along the walls...The exhalations from overcrowded sweating humanity lying actually on top of one another and breathing the same foul atmosphere over and over again must be sufficient to turn the strongest stomach. As a rule the owner of the building rents it to a Maistry for a lump sum and the Maistry fills it up with coolies and makes as much as he can out of it".[7]

The Report further observes;

> "Dark ill-ventilated houses on sites perenially flooded with rain or tidal waters or with stagnant pools of household sullage waste, with scarcely a ray of direct sunshine in the inner rooms, are inhabited by hundreds of thousands of the poor class; addiction to drink or drugs, squalor and filth surrounding their social life, form a tragic total complex of their slum life. There are thousands of such houses, huts and hovels which are unfit for human habitation".

In another place, the Report says:

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[6]B. R. Pearn: Racial Relations Studies, No. 4. Indians in Burma; Le Play House Press, England, 1946. p. 16-19.

[7]Report of the Public Health Committee, Rangoon, 1926-27 Vol I. p.p. 16, 32, 86. Government Printing, Rangoon, 1928.

> "In certain cases, we found what are known as married quarters, that is to say a bed hung with old sack cloth or other rough curtains in which a man and his wife slept. These are in immediate juxtaposition with rows of unmarried males lying in all directions. In certain cases we found apparently single women hidden away underneath a cot on which a male was sleeping and having along-side of them the usual lines of males who are presumably without wives. Under such conditions, it is impossible for any woman to remain a woman for any length of time; of necessity she must sooner or later, become degraded."

The Government was fully aware of the problems but had neither the inclination nor the appropriate means to solve them. The indifference, callousness and accumulated sins of ten decades could not be cured in ten or twenty years and there was possibly nothing that one could do except throw up one's hands and exclaim, as Sir Charles Innes the Governor of Burma did in his speech at the annual dinner of the Rangoon Trades Association on January 4th 1930: "No one can read what the Rangoon Health Committee wrote in its report about lodging houses of Rangoon without a feeling of shame but also of apprehension, for, these lodging houses must be hot-beds of tuberculosis and other disease".

These were indeed hot-beds of death and disease. The death rate of Indians in Burma was naturally high; e.g. the Report of the Public Health Officer, Rangoon for 1925

recorded the annual death rate among Hindus and Moslems at 37 and 32 respectively per 1,000 persons. On this basis, the Indians who could expect to migrate heavenwards numbered between 32,000 and 37,000 persons per year. Another way of looking at it is that all-merciful Death took good care to see that the number of Indians dead per year was almost equal to the annual excess of Indian immigrants over emigrants.

As stated earlier, the difference between the incoming and the outgoing Indians was estimated at between 30,000 and 40,000 persons per year by all the authorities concerned.[8]

The Home Member in reply to a question in the Burma Legislative Council in 1928, said that during the period from 1926 (June) to December, 1927, 10,678 Indian coolies were medically examined, of whom 3,186 were found physically unfit including 1,154 suffering from heart disease, 402 from general debility, 202 from tuberculosis, and 144 from varicose veins.[9] The figures seem to indicate that if all the Indian labourers were medically examined, about

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[8]Andrew; E. J. I. Indian Labour in Rangoon. Oxford University Press, 1933. p. 25.
Narayand Rao; Indian Labour in Burma. Keshari Printing Madras, 1933. p. 45.

[9]Burma Legislative Council Proceedings, Vol XI. 1928. p. 8-10.

one-third of them would probably have been unfit for hard work.

In short, the sad story of the Indian is of a poor man, contemptuously called "Kala", who hopefully migrated to a country known for ages as Subarnabhumi - the golden land of plenty - where, from thousands of golden pagodas the soft sounds of bells, the sacred hymns of Tripitakas and the sweet fragrance of burning incense and flowers carried to all hearts the profound message of Ahimsa - love and compassion for all living beings. There he spent his life working in deep mines, forests, fields, farms and factories to make the country prosperous, but in return he received mostly contempt and cruelty from his fellow men. He suffered silently from long hours of hard work, scanty wages, rotten food and wretched shelter. The apathy of the general public, the negligence of his Government, the indifference of his employer and the cruelty of his Maistry made him a beast of burden. His only pleasure or recreation was crude opium, unrefined country liquors and other harmful cheap drugs in which he indulged to find some solace for his soul and to snatch some rest for his tired frame. Despised by all and haunted by illness and insecurity, his was a drab and miserable existence in a foreign country - far away from his near and dear ones.

Why did the Indian labourers continue to go to Burma under such appalling conditions? It could not be denied that the immigration was largely voluntary, and that it should have been possible for them to avoid the temptations held out by shipping agents and Labour contractors. Nor could it be said that the Indian labourers, or at least a large number of them (who were repeating their voyages season after season) were ignorant of the conditions under which they would be required to live and work. Yet, why were hundreds of thousands of them making the journey even in the 1930's when Burmese agitation against their entry into Burma was at its peak and the Communal Riots were taking their heavy toll? The answers were probably to be found in the deep-rooted poverty, unemployment, starvation and over-population in Indian villages. They were at least sure that they would not have to starve in Burma which had enough cheap low-grade coarse rice or broken rice to satisfy their hunger.

No useful purpose would be served at this date to attempt to apportion the blame among the various parties who were directly or indirectly responsible for this unfortunate state of affairs; there were a multiplicity of circumstances which contributed to it. But we should be failing in our duty if we did not point out that more than

anything else, it was the wrong policy of the then Governments on both sides of the Bay of Bengal which was greatly responsible for the degradation of the Indian labour in Burma.

By the late 1920's it was very clear that unrestricted immigration of Indians was creating discontent among Burmans and adding to the poverty and unemployment of the Indians themselves. By the late 1920's, the price of rice was falling, unemployment and agrarian discontent were sweeping the countryside and racial feelings were on the increase. Yet no steps were taken, either to regulate immigration or to repatriate those who were unemployed. It had been a long-standing policy of the Government of India not to encourage Indian immigration to countries where Indians were not wanted.[10] The general policy was expressed in a resolution of the Imperial Conference of 1918 in which India participated and accepted the right of each community of the British Empire to control the composition of its own population by means of restriction on immigration from any of the other countries.[11] The same principle was reaffirmed at the Imperial Conference of 1921 when special attention

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[10] James Baxter; Report on Indian Immigration. Rangoon Government Press, 1941. p. 97.

[11] William Moreland and A. Chatterjee; A Short History of India. London, Longmans, 1953. p. 468-9.

was devoted to the position of Indians, and the Conference held (South Africa disagreeing) that recognition should be given to the rights of citizenship of Indians domiciled in other parts of the Empire. These directions were completely ignored in the case of Burma and the Burma Indians.

The system of uncontrolled immigration into Burma was worse than the old indenture system under which Indians were taken to South and East Africa, Mauritius, Trinidad, Fiji and British Guiana, after the abolition of the slave trade. Those Indians were granted free passage and bound themselves to work for a term of years, after which they were entitled to certain benefits[12] including repatriation or option to resettle in those countries. Nearer home in Ceylon, the expenses for transportation, food and other incidental expenses of Indian immigrant labour were charged to an immigration fund under the Labour Ordinance of 1923; in Malaya also, the incoming Indian labourers were not liable for such charges under the Labour Enactment No 18 of 1923. And in all these cases, there was at least some promise of employment, living quarters, and medical care.

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[12]William Moreland and A. Chatterjee; A Short History of India. Longmans, London 1953. p. 381.

But in the case of the Indians in Burma there was no such arrangement, no restriction nor protection of any kind. The majority of Indian labour went to Burma[13] under the "Maistry system" - without any guarantee of employment or subsistence. These labour contractors used to supply labour to the British and other Burma employers and earned profits from both sides. Most of the agricultural labour would be laid off towards the end of the rains until winter when they could be re-employed for reaping crops and laid off again until the next agricultural season began in April or May. They were expected to live somehow, somewhere, during the periods of their unemployment. Paradoxical though it may seem, the pathetic conditions of Indian labour received greater attention from the Burman political agitators (who were always against such inhuman unregulated immigration) than from the Governments and the British and Indian business communities on both sides of the Bay.

The Government of India's declared policy had always been to uphold the dignity and status of Indian emigrants and to safeguard their interests; in this case, it acted in a peculiar way - don't stop Indians going to Burma because such restriction would be undignified and don't

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[13]James Baxter; Report on Indian Immigration, Rangoon Government Press, 1941. p. 46-48.

regulate it either because it might conflict with the principle of "supply and demand". The problem was not even seriously considered until the communal riots during the 1930's led to the slaughter of many Indians, particularly the helpless Indian labourers in Burma. As early as 1915, India abolished the indenture system of labour emigration as it was derogatory to the prestige of India; in 1922, legislation was enacted in India[14] regulating the emigration of unskilled labour and enabling the Government to adopt measures for the prohibition of such emigration to any country where conditions were not satisfactory. Burma was excluded though in the neighbouring Malaya and Ceylon, Indian agents were posted to watch over questions concerning wages, welfare, and citizen rights of Indian labour.[15] In June, 1938, the Government of India prohibited emigration to Malaya until conditions in the employment market improved. The Government of India passed an Act in September, 1938 - "empowering the Central Government to regulate both assisted and unassisted emigration so that it might bring under its control the total flow of emigration for unskilled work".

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[14]Indian Immigration Act, 1922.

[15]William Moreland and A. Chatterhee; A Short History of India. Longmans, London 1953. p. 468.

These were not applied to Burma.

After the Separation of Burma from India, the Indian immigration was governed by Section 138 of the Government of Burma Act and an Order-in-Council (known as the Government of Burma Immigration Order 1937) which prescribed that "there shall be no restriction on the entry of Indians into Burma" and that the Order "shall remain in force for three years" (i.e. until 31st March, 1940) provided that "in case neither the Governor-General of India nor the Governor of Burma shall have given notice to the other 12 months before the expiry of this period of his intention to terminate the operation of this Order, the Order shall continue in force for 12 months from the date on which notice shall have been given". It was further provided by Section 36 (1) (b) of the Government of Burma Act that no bill nor amendment which affects immigration into Burma should be moved in either Chamber of the Legislature unless the Governor in his own discretion thinks fit to give his previous sanction. Neither the Governor-General nor the Governor thought it fit to take any legislative action to regulate immigration though the possibility of such legislation to restrict Indian immigration was anticipated and provision was made under Section 44 (3) of the Government

of Burma Act for "restriction lawfully imposed on the right of entry into Burma" of persons domiciled in India.

After the terrible anti-Indian riots of 1938 in which many Indians had lost their lives and properties in Burma, the Burma Riot Enquiry Committee under the Chairmanship of a British Judge of the High Court confirmed the Burmese uneasiness and ill-feelings about the unrestricted Indian immigration and the possibility of further anti-Indian riots being engineered by political interests anxious to embarrass the Government in power. Therefore, in 1939, the Government appointed a Commission headed by the Hon. Mr. James Baxter, Financial Adviser to the Governor, to ascertain the volume of Indian immigration, to what extent it was seasonal or permanent, in what occupations Indians were mainly employed, whether Indians had displaced Burmans or could be replaced by Burmans and whether any system of equating the supply of Indian labour to Burmese requirement was needed.

The Commission made a thorough inquiry into the whole problem and its main conclusions[16] were that:

1) No accurate statistics were available on the

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[16] James Baxter; Report on Indian Immigration. Rangoon Government Press, 1941. paragraphs 113-117. p. 104-110.

volume of Indian immigration; it was impossible to say how many were permanent or temporary visitors, but the greater part of the visitors were unskilled labour who came to Burma for temporary employment from two to three years.

2) There had been a steady increase in the number of Indians born in Burma. About 40% of the Indians in Burma in 1939 were born in the country and could claim to be regarded as domiciled in Burma.

3) There was no evidence that Indians had displaced Burmans from employment which they had previously obtained; the whole history of development of Burma during the last few generations would suggest that there had been a general division of work between the two races and the Indian labour had been supplementary rather than alternative to Burman labour.

4) There was no evidence of any serious excess of Indian labour over current (1940) requirements except in Rangoon - particularly Rangoon Port.

The Commission strongly recommended among other things the introduction of passports, registration, and other measures including an Immigration Agreement between India and Burma regulating the classification of Indian residents and

the future immigrants.

As a result of these recommendations the Government of Burma served 12 months' notice to India towards the end of 1940 under the Immigration Order mentioned above. Negotiations for an immigration agreement between the Government of India and the Government of Burma started in 1941. Sir Girjasanker Bajpai, Member of the Governor-General's Executive Council, visited Rangoon and an agreement was reached between Burma and India towards the end of 1941; briefly the provisions of the agreement were:

1) Immigration would be regulated by two kinds of permits - Permit "A" intended for professional and skilled personnel who would be allowed to remain in Burma indefinitely; and Permit "B" for unskilled or semi-skilled labour who would stay in Burma for only a limited period;
2) The number of "B" permit holders would be pre-determined by an Immigration Board in Burma;
3) Applicants for "A" permits might have to undertake a qualifying test;
4) Marriage with a Burmese woman, unless specifically permitted would be grounds for cancellation of permit;
5) Indians born and bred in Burma would be regarded as domiciled.

When the time for ratification of this agreement arrived, it aroused a storm of protest in India. In particular, it was considered to be a violation of the promise given by the British Parliament for the protection of Indian interests. The provisions regarding marriage and qualifying tests were regarded as insulting. While the whole issue was still under hot debate, the Japanese invasion took place and the problem was shelved.

If it was required to choose out of many evils the one which did the greatest harm to Indian interests and contributed most towards the unhappiness of Indians in Burma, ch the choice should unreservedly fall on the erroneous immigration policy, assiduously and obstinately followed by the Government of India for decades, in the teeth of Burman opposition. It was not too late even in the late 1920's to initiate some action in the matter; but the vigorous Burmese agitation during the visit of the Simon Commission in 1928-29, the deliberations of the Round Table Conferences in 1930-31, the acrimonious debates in the Burma Legislatures during the 1930's and even the two anti-Indian riots of 1930 and 1938 failed tp produce any results. Nothing worth the name was achieved until the problem solved itself in the 1940's under the sledge-hammer blows of the Japanese occupation, the British re-occupation and the independence of Burma.

CHAPTER IV

INDIAN CHETTYARS AND THEIR ROLE IN BURMA.

Among the Indian business interests, the most important in Burma was that of the Chettyar community which came mostly from the Chettinad district of Madras State. This Vaisya caste of old Tamilnad (the land of the Tamil speaking people) have been maritime traders and bankers for centuries past. When the Indian trading interests took a downhill turn in the 19th century, in competition with the western maritime traders with their newly developed industrial products, the Chettyars directed their attention mostly to banking only and developed a large-scale and well-organised banking business in South and Southeast Asia, particularly in Madras, Ceylon, Burma, Malaya, Indo-China, Thailand, Indonesia, and Mauritius.

After the first Anglo-Burman war and the British occupation of Tenasserim in 1826, the Chettyars, along with other Indian traders, started their business on a minor scale and by the time the British occupied the whole of Lower Burma after the Anglo-Burman war of 1852, they were firmly established in Tenasserim - particularly in Moulmein, the chief port and business centre of Tenasserim. With the

gradual restoration of law and order in Lower Burma, they spread their business to other centres of trade and business including Rangoon, Pegu, Prome, Bassein and several towns of Irrawaddy delta. The British occupation of Upper Burma in 1886 made it possible to expand their business further in all parts of Burma and by the end of the 19th century, the Chettyars were firmly established in Mandalay, Myingyan, Meiktila, Shewbo and other centres of trade and business in Upper Burma as well.

The newly occupied and absolutely underdeveloped Burma needed capital and the opening of the Suez Canal early in the 1870's offered great opportunities for the development of Burma's rice trade. The Chettyars as traditional bankers naturally saw prospects of good business and profit in Burma and were greatly encouraged to finance agriculture. The Banking Enquiry Committee of 1929-30 observed:[1]

> "The increase in the market price of rice, which resulted from the development from 1872 onwards of the Export trade by steamers passing through Suez Canal and led to a continuous and rapid rise in land values, was the prime inducement [for the Chettyars] to cultivate the Burma field of finance."

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[1] The Report of the Banking Enquiry Committee, 1929-30, Vol I. Rangoon Government Press, 1930, p. 201.

Most of the Chettyar firms operating in Burma were members of the Nattukkottai Chettyar Association (N.C.A.) and in Burma, the term 'Chettyar' usually meant a Nattukkottai Chettyar. In 1923, N.C.A. had 1,498 member firms including about 350 in Rangoon. Besides looking after the commercial interests of its members, N.C.A. represented the Chettyar community in Burma, collected funds for gifts and charities, and exercised some influence in India through its membership in the Federation of Indian Chambers of Commerce and Industry (F.I.C.C.I.) - an all-India organisation of business interests. After the depression, the membership of N.C.A. was reduced to about 1,300 firms of which nearly 200 had their offices in Rangoon, the rest being located in the various districts of Burma, largely in the rice growing districts of Irrawaddy delta and Rangoon-Pegu Divisions of Lower Burma. Some of the firms had branches in more than one place and the largest of them, the Bank of Chetinad, had over 40 branches in Burma with wide-spread credit facilities for agriculturists. The estimated number of offices and branches of the N.C.A. member firms were about 1,900 spread all over the country. Besides money-lending, the Chettyar firms used to honour cheques, changed money and accepted documents and valuables for safe deposit. But their main business was that of a banker or moneylender, chiefly for agricultural operations.

They had very little interest in the wholesale or retail trade. As bankers, they preferred to keep their assets in a very liquid form and they succeeded in doing so in times of prosperity when they did a voluminous and profitable business in Burma; there was then great demand for money from the agriculturists for expansions of cultivation and seasonal requirement; the prices of rice and other products were high and borrowing was profitable for productive purposes; the credit-standing of the borrower was high to qualify for fresh borrowing and both the outflow and inflow of the business being high, everybody was naturally happy.

Then came suddenly the depression of the 1930's; the fall in prices was followed by great economic troubles which in turn brought about the collapse of law and order in rural areas, and a rebellion broke out in certain parts of Lower Burma. It became impossible for both the banker and borrower to honour their commitments. When outstanding loans could not be repaid, the Chettyar firms had no option but to foreclose on the security offered. The only property the agriculturist possessed was his land and it was not easy for him to part with the title of his property and become a tenant of the moneylender. On the other hand it was very much against the business interests of the Chettyar to be saddled with titles of agricultural lands for which he had

very little use; what he needed most as a banker were his liquid assets which were then sunk in the mud. With their cash frozen, the Chettyars found it impossible to honour their own obligations to their depositors and bankers and carry on moneylending as before; the importance of the Chettyar finance in the agricultural and economic life of Burma thus began to decline. Since the depression Chettyars lost all interest in getting new business and just managed to keep the old business alive on a reduced scale hoping that they might, in the course of time, be able to revive business and realise in cash at least a portion of their heavy investments made over a very long period. That hope never materialised.

The total Chettyar capital in Burma was estimated[2] by the Banking Enquiry Committee in 1929 at about Rs. 800 million (£60 million) spread over:

	Rs. (Million)
Loans secured by mortgages ...	141
Other loans and advances made to non-Chettyars	627
Cash, bills discounted, etc. .	22
	790

The main sources of their capital were:

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[2] Banking Enquiry Committee's Report, Vol I. Rangoon Government Press, 1930. p. 202.

	Estimated Rs. (Million)
Proprietors capital	550
Deposits received in Burma	57
Advances from Banks in Burma ..	30
Advances from Banks in Madras .	13
In addition, their business naturally generated very substantial amounts in Burma which could be reinvested in current transactions: (no estimate available)	-

From the above figures, the financial position of the Chettyars in Burma, around 1929, could be roughly assumed as follows:

Table 1.

Consolidated Balance Sheet. (In Millions of Rupees)

Liabilities		Assets	
Proprietors'Capital	550	Loans secured	141
Deposits in Burma	57	Other loans and advances	627
Advances from Burma Banks .	30	Cash in hand, bills discounted, etc.	22
Advances from Madras Banks	13		
Deposits in Madras	2		
Miscellaneous (including reserves, profits re-invested, etc.)	138		
Total	790	Total	790

(or £60 million approx)

The proprietors' capital was very largely obtained through loans and advances from their principals in Madras on agency account known as "Sontha Thavanai Panam" and these could be anything up to 90 per cent of the total capital. On this a fixed rate of interest was paid which was normally about 3%

higher than the current Bank rate of interest prevailing in Madras money market. The proprietors' own capital, known as "Mudal Panam" or share capital was comparatively small and could be even 5 or 10 per cent of the combined capital.

The Chettyar firms in Burma were in fact operating mostly on borrowed capital and deposits obtained in Madras and Burma. They had a system of call deposits (Nadappu Kanakku) as between the Chettyar firms operating in Burma, and the current rates of interest (Nadappu Vatti) on these deposits were fixed by common agreement, solemnly affirmed at monthly meetings held at the Chettyar temple in Rangoon at the middle of each month.[3] These meetings, which were a part of N.C.A. activities, discussed the general financial situation, fixed the current rate of interest for each month taking into account the current pitch and tendency of the market rate among other moneylenders and the rates for advances by the joint stock banks to Chettyars. These call deposits were a very important source of local finance and self-help though the practice was mostly confined to large towns in Burma. A firm with a proprietor's capital of, say, two hundred thousand rupees could expect such deposits from other Chettyar firms up to the extent of about one hundred

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[3] Banking Enquiry Committee's Report Vol I. Rangoon Government Press, 1930. p. 225.

thousand rupees. The size of these call deposits depended on seasonal requirements - being the largest in February/March (busy season) and smallest in September/October (slack season).

Another source of Chettyar finance was the current deposits (Katha Kanakku) made by non-Chettyars. The Chettyar firms used to pay a slightly higher rate of interest on these deposits than that on call deposits and many traders including Chinese, Burmese, and other Indian moneylenders kept their money in such deposits which were subject to withdrawal at any time. These deposits actually worked on the principle of savings accounts; no cheques could be drawn, but withdrawals were permitted on presentation of a pass book by the depositor where the deposits and withdrawals and the credit balance would be correctly entered by the Chettyar.

There were also two types of fixed deposits known as "Thavanai" deposts and "Veyan Vatti" deposits. The former were two-monthly deposts - made by one Chettyar firm to another Chettyar firm - subject to the right of withdrawal by the depositor every two months with a fluctuating rate of interest compounded at that time. In actual practice, these deposits could be extended indefinitely. The rates of interest

on Thavanai deposits were fixed in a systematic way[4] every Sunday evening by a meeting at the Chettyar Temple, Rangoon, subject to modification during the week in case that was generally desired by the Chettyar community. The second type of deposits i.e. Veyan Vatti, were for periods of three months, six months or a year, usually made by larger firms in towns to district firms at a fluctuating rate of interest about 1½ to 2 per cent per annum above the current or Thavanai rate.

It will be seen from the balance sheet that Chettyars used to receive substantial advances from commercial banks. In 1929, they had an outstanding advance of Rs. 30 million from the banks in Burma and Rs. 13 million from the banks in Madras. The Chettyars could obtain overdraft facilities from all the major banks including the Imperial Bank of India (now State Bank of India), Netherlands Trading Society, Chartered Bank of India, Australia and China, Indian Overseas Bank, Lloyds Bank, Mercantile Bank of India, National City Bank of New York, Central Bank of India, and the National Bank of India. The volume of advances obtained from the first four banks constituted the major portion of advances,

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[4] Banking Enquiry Committee's Report, Vol I. Rangoon Government Press, 1930. p. 227.

while that of the Imperial Bank of India alone would be about half.[5]

The effect of the economic depression of early 1930's on the Chettyar finances in Burma is reflected in the following consolidated balance sheet of 1937-38 prepared by N.C.A. for presentation to the Burma Land and Agricultural Committee which was appointed by the Government of Burma (after Separation from India) to examine the various aspects of land ownership, tenancy and agricultural finance in Burma:

Table 2.

1937-38 (In millions of Rupees)

Liabilities		Assets	
Proprietors' capital	450	Cash in hand, bills discounted, etc.	100
Deposits in Madras	225	Land and other immovable properties	650
Deposits in Burma	70		
Advances from Burma and Madras Banks	5		
Total	750		750

(£57 million approx.)

The significant things to note from the above balance sheet are: the liquid assets of the Chettyars had practically been frozen - reducing them from the position of bankers to that of owners of lands and properties (which they could not dispose of easily); the proprietors' capital had been going down to

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[5] Banking Enquiry Committee's Report, Vol I. Rangoon Government Press, 1930. p. 216.

meet the demands of creditors (banks and depositors); and their debts and liabilities were increasing while the assets were becoming unrealisable. The Chettyars were then in real difficulties, fighting for their survival and trying to salvage whatever they could for their own existence, after meeting the agonising demands of their creditors and principals in Madras.

The financing of agriculture being the major occupation of the Chettyars and rice being the major agricultural product of Burma, the Chettyars naturally banked on paddy (rice in hask) lands. Most of the 1,100 Chettyar firms in the districts were therefore located in the 13 main rice-growing districts of Burma as can be seen from the following table:

Table 3.

Distribution of Chettyar District Firms in the 13 main rice-growing Districts of Burma.

	Number of firms
Pegu Division	
Pegu District	125
Tharrawaddy District	110
Hanthawaddy District	45
Insein District	40
Prome District	55
Toungoo District	70
Irrawaddy Division	
Bassein District	100
Henzada District	70
Myaungmya District	110
Maubin District	55
Pyapon District	100
Tenasserim Division	
Thaton District	30
Amherst District	30
Total	940

Until around 1929-30, the extent of land owned by Chettyars was not so large as to cause concern; but the price of paddy (rice in husk) began to fall in 1929-30 and reached rock-bottom by 1931 as will be seen from the following table:

Table 4.

The wholesale price of paddy per 100 baskets (46 lbs each) January - March.[6]

1921	Rs. 152
1922	185
1923	178
1924	193
1925	178
1926	185
1927	181
1928	169
1929	159
1930	138
1931	77

The effect of this calamitous fall in prices was described by the Commissioner of Settlement and Land Records in his Season and Crop Report for 1930-31 as follows:[7]

> "The year was one of extreme depression for agriculture in Burma. The slump in prices more than wiped out any advantage from the favourable season; Agricultural economy had for many years been based on the assumption that the price of paddy would be Rs. 150 or more per 100 baskets. The result was that contracts for wages were made and loans were taken on the same scale as in previous years at the beginning of this cultivating season. Consequently

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[6] Census of India, Vol XI - Burma, Pt. I, Rangoon Government Press, 1933. p. 16.

[7] The Season and Crop Report for 1930-31. Rangoon Government Press, 1932. p. 10.

> "when the crop was harvested, after the labour had been paid for at the rates agreed upon, and the rents paid in kind at the old rates, the tenant though left with the same share of produce, found its value reduced by half, and was unable to repay his loan and often not even able to pay the interest. The landlord found himself receiving produce worth only half as much as in the previous year with large irrecoverable loans outstanding and the land revenue to pay at the same rates."

The vicious spiral which began with the low market price rendered tenants and landlords incapable of honouring their obligations. And with the non-payment of rents and debts, the Chettyar firms had, in the last resort, to apply to the local courts of law for foreclosure and attachment of lands. The inevitable result was the large-scale transfer of lands to Chettyar ownership as can be seen from the following table:

Table 5.

Agricultural land in 13 main Rice-growing districts of Lower Burma. 1930-38. (In thousands of acres)

Year	Total agricultural land	Area occupied by non-agriculturist	Area occupied by Chettyars	% of Chettyar land to non-agriculturist land	% of Chettyar land to total land
1930	9,249	2,443	570	19	6
1931	9,305	3,212	806	25	9
1932	9,246	3,770	1,367	36	15
1933	9,266	4,139	1,882	43	19
1934	9,335	4,460	2,100	47	22
1935	9,408	4,687	2,293	49	24
1936	9,499	4,873	2,393	49	25
1937	9,650	4,929	2,446	50	25
1938	9,732	4,971	2,468	50	25

The Chettyar had no desire to become a landowner; he was a

banker - not a farmer. The economic depression forced him either to foreclose or to lose his investment; when he had foreclosed, he had to retain the ownership of lands because there was no one else to purchase them from him. Two and a half million acres of the best paddy lands in Lower Burma thus came under the Chettyar ownership through circumstances beyond their control. The Land and Agricultural Committee (appointed by the Government in 1937) said:

> "The history of other countries has shown that the ownership of considerable land by foreigners is followed sooner or later by political troubles arising from natural demands of the nationals of the country for the ownership of the land. We think that the conditions in Lower Burma are nearing the danger point and that the continued transfer of land from the agriculturists to non-agriculturists is likely to result in violent agitation for the ousting of the foreign owners".

In fact this had already become a serious political issue. (During the agitation for Separation from India, the Burman nationalists frequently pointed out the Chettyar occupation of lands as an instance of Indian Colonialism within British Colonialism) The fact that the agricultural revolution in Lower Burma was brought about very largely by the Chettyar finances, combined with the cheap labour from Upper Burma, and by the Indian traders (again assisted by Chettyars) and the British shippers who marketed Burma's rice in the world market, was clearly forgotten or conveniently overlooked by

politicians in the 1930's.

In times of prosperity which lasted for many years, the Burmese cultivators unfortunately acquired the habit of living increasingly on future borrowings on the strength of next year's harvest. Moneylenders including Chettyars also happily extended credit with the expectation of high profits. All these worked satisfactorily so long as capital assets were being created (i.e. new lands were cleared and brought under cultivation) and the prices of rice were high. By 1929 lands which could be brought under new cultivation without a large expenditure of capital became exceedingly[8] limited and the prices of rice began to fall. Lands gradually passed into the hands of the non-agriculturist middle class and moneylenders (both Burman and Indian) from the actual tillers of the soil; the society of peasant proprietors gave place to a class of absentee landlords; the Government had neither a policy nor the means to stop the process.

Since the methods of Chettyar financing had come under considerable criticism from the nationalists, it would be desirable to discuss them briefly before we conclude this chapter.

The pattern of the Chettyar borrowing rates and lending

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[8] Census of India, Vol XI. Pt. I. Rangoon Government Press 1933. p. 34.

rates was generally as follows:

Table 6.[9]

Borrowing rates of Interest

Nadappu or call deposits Katha or current deposits Thavanai deposits Bank Advances Veyan Vatti deposits	The rates ranged from a minimum of 6% to a maximum of 11½% per annum

Lending rates of Interest

Land and other immovable properties	9-15%
Gold and silver ornaments	12-15%
Promissory notes with collateral security	12-15%
Promissory notes without security (on demand)	15-24%

The disparity between the borrowing and the lending rates has often met with adverse comments; but it has to be borne in mind that the price of agricultural finance provided by private enterprises in India and elsewhere in pre-war days (and probably even today in most parts of the world) was equally high, if not higher, due to the great risk and difficulties involved in such operations. The Banking Enquiry Committee in 1929 did not find the structure of Chettyar interest rates to be excessive and in fact, they were much lower than the prevailing rates charged by other local moneylenders.

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[9]Banking Enquiry Committee's Report, Vol I. Rangoon Government Press, 1930. p. 226-234.

The Banking Enquiry Committee[10] highly praised the qualities of Chettyars, their financial system, the honesty of their dealings and the confidence they commanded in the minds of the local people despite their foreign origin. The simplicity of their procedure for granting credits and their methods of keeping accounts, which included a book for preliminary entry (Chittai) and two principal books of accounts, namely, a journal for daily transactions (Kurippu) and a ledger (Peredu), also received praise from this expert committee. As experienced moneylenders, they could lay a finger on the pulse of a borrower and judge from his statements whether he was creditworthy; there was therefore no formal classification of loans into longterm or short-term in the books of Chettyars; all loans were payable on demand, but in actual practice, once a borrower had established his credit, the security seemed good and the interest payment was not in arrears, the Chettyar would allow a loan to run on. About 60% of the loans, given for extension of agriculture or improvement of lands, could therefore be ragarded as longterm loans (3 to 10 years), about 25-30% were seasonal (for a few months to a year) for cultivation

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[10] Banking Enquiry Committee's Report, vol I. Rangoon Government Press, 1930. p.p. 68 and 194.

and the balance were for miscellaneous purposes. The different types of loans made, and the security demanded by them would be roughly summarised as follows:

Table 7.

Types of loan	Percentage of the market value of the property accepted as security for loan	Composition of different types of loan (% of total loans)
1. Long term loans on mortgage of immovable property, e.g. lands, houses, etc.	60 - 75 %	60%
2. Seasonal loans on Promissory notes	No security, except possibly the growing crops	25 - 30 %
3. Loans on Promissory notes with collateral security, deposits of title deeds, etc.	50 - 75 %	10 - 15 %
4. Loans on deposits of gold or silver ornaments	70 - 90% of the estimated melted value	

The Chettyars have been accused of over-loaning - a criticism which does not seem to be justified in the light of figures given above; they would appear to be reasonably conservative in their demand for security for longterm loans. Seasonal (or crop) loans were, from their very nature, precarious depending on variations in weather and market prices and the Chettyars, as prudent bankers, could not

afford to be liberal with this kind of loan. In other fields, they were following the usual practice adopted by banks in India and Burma. It is true that the Chettyars had no means of verifying whether their loans were being properly used by borrowers; but it has to be remembered that the Chettyar firms were operating in Burma - a country outside their own province - among people very different from their own class in language, manners and social habits; they were doing business, largely with money borrowed from others, at great personal risk in distant villages of Burma where law and order conditions were not satisfactory at any time. No other agency would have done this work any cheaper and none other than the Chettyars were available in Burma to provide the colossal finance needed for agriculture - a job which was always thankless and finally proved to be disastrous to them.

The Government became conscious of the situation only when it was too late, and, under political pressure, adopted measures which were none too satisfactory. As a result of the recommendation of the Land and Agricultural Committee which was appointed by the Government in 1937, a Tenancy Act was passed in 1938-39 which drastically cut the rents payable by tenants. This was meant to be a measure of relief for the tenants, but the landlords (including Chettyars)

already overloaded with unpaid debts could ill-afford to sacrifice rents and be also responsible for providing whatever agricultural finance they could to cultivating tenants. The Burmese landlords and N.C.A. representing Chettyar landlords joined hands and appealed to the Government to stop taking action under the Act and also submitted a complaint to Rangoon High Court of Law for an estimated loss of Rs. 2.5 Million on account of the reduction of rents. The Court gave a judgement in favour of the landlords. In the confusion, the Government passed an ordinance which practically invalidated the Tenancy Act. A Land Alienation Act was also passed in 1939-40 (on the recommendation of the Land and Agricultural Committee), which virtually prohibited the transfer of lands from the agriculturists to non-agriculturists. But it was again too late; the non-agriculturists had by then been over-burdened with lands already acquired and had little appetite for fresh acquisition of lands; and with the passage of the Act, all new lendings on land naturally stopped. To add to the confusion, a Land Purchase Bill was introduced in the legislature early in 1940 to provide for the compulsory acquisition of lands from the landlords and amid considerable opposition, this controversial bill became law in May, 1941. N.C.A. and the Burmese landlords were naturally opposed to it - particularly

as the Act granted wide powers to the Land Commissioner to acquire lands without reference to any courts of law. No effective action could actually be taken under this law and the two earlier laws, before the Japanese invasion in 1941-42. But the combined effect of the situation created by these laws and the Japanese invasion, was that the Chettyar investment of over $57 million could be considered as a total loss and could as well be written off in 1941-42. For, the Chettyars were not really allowed to function thereafter either by the Japanese or the British re-occupation authorities; and after the independence of Burma, the Chettyars' claims for compensation for lands nationalised by the Government were never seriously considered.

In the opinion of the Banking Enquiry Committee, 1929, the Chettyars had:

> "Rendered a service in the past, playing in the development of Burma, a necessary part which no other class has offered to play; without their support of the substitution of some other banking system towards which no steps have yet been taken, the internal and external trade of the country would break down and the rice crop could not even be produced".[11]

Sir Harcourt Butler, The Governor of Burma, said in one of

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[11] Banking Enquiry Committee's Report, Vol I. Rangoon Government Press, 1930. p. 190.

his public speeches in 1927:

> "As a class moneylenders come in for a good deal of criticism, but they have always been absolutely an essential part in the economic growth of the country. When the banker has to call law into his assistance, he is often and unfairly criticised and the vast amount of really good work that he is doing is lost sight of....Without the assistance of the Chettyar banking system, Burma would never have achieved the wonderful advance of the last 25-30 years....The Burman today is a much wealthier man than he was 25 years ago, and for this state of affairs, the Chettyar deserves his share of thanks."[12]

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[12] Banking Enquiry Committee's Report, Vol. III. Rangoon Government Press. 1933. p. 760.

CHAPTER V

INDO-BURMA TRADE AND INDIAN TRADERS IN BURMA

As a province of India, Burma was within the same currency, fiscal and monetary system of India. Free trade and free remittance facilities prevailed between the two countries from the time Burma was added to the British Empire. The administration of currency, coinage, customs tariff and Income Tax was the concern of the Government of India, and the provincial Government of Burma had no control over these matters until 1st April, 1937, the date of Separation of Burma from India.

At Separation, a trade agreement was made between the two countries, the effect of which was (subject to minor exceptions) to ensure that Indian goods would enter Burma free of duty and without restrictions and vice versa. In the same agreement, it was also provided that the tariff schedules in operation at the date of Separation would remain effective in both countries, and that no change would be made in the schedules by one without the consent of the other. Special provisions were made to limit the importation of cotton manufactures from Japan into Burma, to provide a good

margin of preference to Indian textiles in Burma. The trade agreement was to remain in force for three years and, if not then terminated by 12 months' notice having been given by either party, would remain in force thereafter, subject to termination on 12 months' notice. By the terms of Separation, no alteration in the fiscal policy as between Burma and India was envisaged for three years (1937-40); this was considered to be the minimum transitional period during which status quo should be maintained to avoid dislocation in the trade and economic relations between the two countries which had developed over a period of more than one hundred years of central administration.

In 1940, Burma served 12 months' notice of termination of the 1937 trade agreement and asked for a fresh agreement with India. A new trade agreement was therefore negotiated and executed in 1941. Instead of free trade, a preferential tariff system was introduced; Burma had already imposed a tariff on imports from other countries and it was now extended on a moderate scale to India; it was expected that the new system would produce an additional customs revenue of about one million pounds sterling per year for Burma. Exports from India were made subject to a 15% tariff preference over non-Empire goods and a 10% preference over other Empire goods, except that Indian textiles were given a

preference of 15% in all cases. Briefly[1] the new Trade Agreement of 1941, provided that:

(i) each country would have the right to impose customs duty on goods imported from the other, at a preferential rate;

(ii) a three decker tariff system would normally prevail in both the countries, namely:

a) the Standard tariff, i.e. the highest rate applicable to goods of Non-Empire countries;

b) the Preferential or middle tariff applicable to goods of Empire countries; and

c) the lowest tariff applicable to trade between Burma and India.

(iii) Ordinarily, each country would give the other a margin of 15% preference as compared with the Standard tariff and a margin of 10% preference as compared with the Preferential or middle tariff.

Special provisions were made for certain goods e.g. India agreed that there would be no duty on Burma rice or broken rice, Burma timber, lead, tin and metals (other than iron and steel) entering India, and that Burma kerosene would enjoy a special preference in India. Similarly, Burma accorded certain exceptional preferences to Indian cotton-textiles over the British and Japanese piece-goods which were India's main competitors in Burma, and Burma also agreed that duties on match, motor spirit, salt, silver and sugar would not exceed the excise duties leviable on such goods produced in India. It was a satisfactory agreement on

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[1] Announcement of the Commerce Minister, House of Representatives, Proceedings, Vol IX, April, 1941. p. 1,786

the whole. The main purpose of the arrangement was to maintain unimpaired the then existing volume of trade between the two countries and to secure additional revenues badly needed for Burma's economic development. Unfortunately Burma could not derive much benefit from this agreement which came into force only on March 31st, 1941, due to the war and Japanese invasion.

The long period of joint administration, the nature of economies of the two countries and the easy sea communications between them caused most of Burma's trade to be with India. India needed large quantities of rice, petroleum products and timber, particularly teak, and Burma was the natural and the nearest source of these goods which constituted over 75% of Burma's exportable surplus after meeting her local needs. As regards Burma's imports, India had hardly any competitor in such traditional items as jute and tea, and the free trade prevailing between the two countries gave India an edge on other countries in respect of iron and steel, coal, tobacco, textiles, and other manufactured or semi-manufactured consumer goods. Thus, the economies of the two countries became exceptionally complementary. The currencies of the two countries (Indian rupees and Burman kyats) were of identical value and were managed by the Reserve Bank of India (acting as agents of the Government

of Burma, even after Separation) until the Union Bank of Burma was established after the independence in 1948. This and the presence of a large number of Indian traders and bankers in Burma, facilitated the trade and transactions between the two countries.

A fairly good idea of the normal composition of the trade between the two countries, indicating the volume, value and varieties of goods, may be had from the details furnished in appendices VI and VII. The total value of the annual trade between the two countries averaged around Rupees 400 to 450 million (or about £30 to £35 million per year) as roughly summarised in this table:

Table 1.

Burma's trade with India.[2]
(value in millions of Rupees or Kyats)

Year	Export	Import	Trade Balance
1932-33	262.1	87.7	174.4
1933-34	290.0	84.2	205.8
1934-35	328.8	96.5	232.3
1935-36	276.5	99.6	176.9
1936-37	280.5	109.3	171.2
1937-38	252.8	117.1	135.7
1938-39	258.2	112.2	146.0
1939-40	323.5	139.3	184.2

Broadly speaking in terms of money value, rice alone accounted for about 50% of Burma's total exports to India; kerosene and other petroleum products covered another 20 to 25%; the

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[2]Burma Trade Journal Vol I. Government Press, Rangoon, 1938. Simla Handbook on Burma, Government Press, Simla, 1942

balance of the exports were made up of timber (7 to 10%) and mineral metals such as silver, lead, tin, etc. and a few agricultural products other than rice. About 90% of India's rice imports came from Burma which led the world in the rice trade accounting for nearly two-fifths of total world exports; the exporters were the British and Indian firms. The larger rice mills were owned by the British firms but a very substantial number of medium-sized rice mills (one hundred and ninety rice mills out of about six hundred rice mills in Burma) were owned by Indians.

Burma was the main source of kerosene oil for lighting the millions of homes in Indian villages - India normally importing about 52% of its mineral oil requirements from Burma. The Burma Oil Company, Indo-Burma Petroleum Co. and the British Burma Petroleum Co. (all British firms) were the main producers of petroleum products in Burma. There was only one Indian concern namely, Nath Singh Oil Co. in this business but it was much smaller than any of the British concerns.

Teak and other hardwoods which ranked third among exports to India were extensively used by Indian Railways, shipyards, building and furniture industries. Exporters included the five British firms, namely, the Bombay Burma Trading Corporation, Steel Bros. & Co., MacGregor & Co., Foucar & Co. and

Findlay & Son which owned the bigger saw mills and held, under lease from the government, large forest areas for the extraction of timber. Indians also owned a fairly large number of medium-sized saw mills (about 51 out of 113 saw mills in Burma). Some of the Indian firms e.g. A. V. Joseph & Co., J. C. Dutt & Co., Ibrahim & Co. and several other Indians were also granted forest leases, and participated in the export trade in timber. About 70% of Burma's exportable timber went to India.

As regards imports from India, the most important were cotton manufactures which constituted about 40% of imports. However, despite free-trade and the presence of many Indian cloth-dealers in Burma and the preference which India enjoyed over Japanese and other importers, India could provide only about 30% of Burma's textile imports. Other imports of importance were the Indian jute (mostly gunny bags for packing rice), iron and steel and coal and coke, all of which covered about 25% of the imports from India. Approximately another 20% of the imports from India included wheat, tea, fish, cigarettes and manufactured tobacco (although Burma possessed large areas suitable for growing wheat, tea and tobacco, had plenty of fish in her extensive coastal and inland waters and could manufacture many varieties of Burma cigars which were highly appreciated by

foreigners). The balance of the imports included sugar, chemicals, drugs, footwear, paper, hardware, appliances, etc.

Indo-Burma trade was indisputably of very great importance to Burma as well as to India and it was highly beneficial to the economies of both countries. Although India's trade with Burma represented only about 7% of India's total foreign trade, it included a number of goods, particularly rice, petroleum and teakwood which were essential for the Indian economy. Burma also found in India a great and profitable market within easy reach for her agricultural, forest and mineral products which could not be absrobed locally and which required to be disposed of readily for maintaining the progressive growth of her economy. India thus became the principal customer of Burma, accounting for nearly three-fifths of Burma's foreign trade as would appear from the table below:

Table 2.
(In millions of rupees)[3]

Year	A - Total value of Trade with all countries	B - Value of Trade with India	Percentage of B/A
1932-33	648.1	349.8	54
1933-34	633.4	374.2	59
1934-35	697.0	425.3	61
1935-36	735.4	427.1	58
1936-37	763.1	443.6	58
1937-38	737.3	369.8	50
1938-39	685.5	370.3	54
1939-40	792.0	462.7	58

[3] Burma Trade Journal, Vol I. Government Press, Rangoon 1938; and Simla Handbook on Burma, Government Press, Simla 1942.

Burma obtained over half of her imports from India and sold about three-fifths of her exports to India. Burma's second largest customer was the United Kingdom but the value of her trade with the U.K. was only about one third of Burma's trade with India. The share of other foreign countries in Burma's foreign trade was very small as shown in the following table:

Table 3.

Burma's Export Trade with Principal Countries[4]

	Per cent of total		
	1937-38	1938-39	1939-40
India:	51.0	54.3	60.1
U.K.:	16.9	12.7	13.2
Ceylon:	5.9	5.6	5.5
Strait settlements:	5.9	5.6	4.6
Japan:	2.3	1.8	4.0
Germany:	3.8	3.8	1.3
Malaya:	1.4	1.3	1.0
U.S.A.:	.2	.2	1.0
China:	.5	.4	.8
All other countries:	12.1	14.3	8.5
	100.	100.	100.

Burma's Import Trade with Principal Countries

	Per cent of total		
	1937-38	1938-39	1939-40
India:	49.15	53.89	55.33
U.K.:	20.15	18.17	17.20
Ceylon:	.33	.27	.25
Strait settlements:	2.58	3.68	2.60
Japan:	8.74	6.83	8.04
Germany:	3.25	2.28	1.24
Malaya:	-	-	-
U.S.A.:	4.37	3.62	5.82
China:	.22	.27	.49
All other countries:	11.21	10.99	9.03
	100.	100.	100.

[4] Annual Statement of Seaborne Trade and Navigation of Burma. 1939-40 Government Press, Rangoon, 1940

Two outstanding characteristics of Burma's foreign trade in the pre-war period were the unusually favourable balance of that trade and the importance of India as a trading partner in regard to both exports and imports. This was largely due to the industrialisation of Burma's agriculture in one large export crop and the development of her mineral and forest resources (which were overwhelmingly in excess of her local needs) for purposes of export. It will be seen from Appendix VIII that for the entire period from 1901 to 1941, Burma's exports substantially exceeded imports and that the excess of exports over imports was more than 100% during the last ten years (1931-41). Burma's trade with India made the largest contribution towards the favourable trade balance of Burma as can be seen from the following table:

Table 4.

(In millions of rupees)

Year	Burma's total Trade Balance	Trade balance with India	Indian Percentage
1932-33	258.7	174.4	67.3
1933-34	292.6	205.8	70.0
1934-35	307.2	232.3	75.6
1935-36	333.1	176.9	53.2
1936-37	313.2	171.2	54.6
1937-38	266.3	135.7	51.0
1938-39	277.2	146.0	52.7
1939-40	298.9	184.2	61.5

One of the main reasons for Burma's rapid development within

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[5] Burma Trade Journal, Vol I. Government Press, Rangoon 1938; and Simla Handbook, Government Press, Simla, 1942.

a short space of three or four decades was her favourable trade balance with other countries particularly India, which contributed greatly towards capital formation and new investments in Burma. As the financing of trade and industry and the development of agricultural, forest and mineral resources were largely carried out by foreign - mostly British and Indian -private enterprises, the trade balances were naturally subjected to heavy remittances to meet the service charges on loan capital, profits, overheads, taxes, freight, insurance, etc. No figures for such remittances are available , but as both the export and import trade were so dominated by the Indian and British firms, most of which also had their headquarters or branches in India, it was believed that the remittances to India were particularly heavy. However, it should not be overlooked that if a country depended largely on foreign private capital and foreign private enterprises for its development, it could do so only by paying the prices at which such capital and services would be forth-coming under the prevailing market conditions and other circumstances. In this respect, Burma was at a disadvantage due to her unsatisfactory "law and order" situation, the local shortage of both skilled and unskilled labour, and the bad communications system, amongst other shortcomings. An exaggerated picture of such

remittances was usually drawn by some of the nationalists without taking all these factors into account. For instance, the remittances by postal money orders from Burma to India averaged around Rs. 26 million per year (£2 million). These were mostly the remittances of Indian labourers to their families in India. The politicians would often invite pointed attention to this "heavy drain" forgetting conveniently that Burma needed about half a million Indian migratory labour and that the remittances per head worked out to a modest sum of Rs. 4⅓ (6.5 shillings) per month or Rs. 52 (£3-18-0d) per year.

Such remittances did not impoverish Burma. The shortage of Burman capital for investment in trade and business was not due to the poverty of Burmans. The standard of living in Burma was higher than in India and Burmans' incomes were often high enough to leave a margin for investment. But while Indians were investing in British and Indian joint stock companies, Burmans preferred to invest in lands and agriculture which also certainly occupied a very high priority in the economy of Burma. It would therefore be wrong to assume that Burmans had no capital or were unwise or thriftless. Indians with an older commercial tradition directed their attention more towards banking, trade and industry; but Burman capital was not sitting idle either -

it was greatly and usefully directed towards the expansion of agriculture. Burmans also had a large share in the local trade and industries of Burma and were certainly participating in the external trade both as producers of goods and as local purchase agents for British and Indian exporting firms. The fact of the matter was that there was enough room for both Indian capital and Burman capital in the developing economy of Burma; one was not competing with the other; the trade balance augmented the capital resources of both communities and both were investing heavily in their chosen fields. The country needed much more capital than that which Indians and Burmans could ever provide and this came very largely from the enterprising British community which really opened the doors of Burma to foreign capital and commerce.

The progressive expansion of agriculture, trade and industry during the first three decades (1900-1930) through private enterprise and initiative should leave no doubt in the minds of anyone that much of the capital brought by Indians and other foreigners, and the profits arising from it, remained in Burma, contributing to the prosperity of Burmans; there was no visible decline in the new investments and re-investment of the proceeds of earlier investments until the economic depression and political unrest began to

create genuine apprehension in the minds of foreign investors in the 1930's.

Even assuming that Burma had to pay heavily for the Indian or foreign private capital at the initial stages of her development, it was not uneconomic from a long term point of view. It was the only way by which she could develop her natural resources, unless of course she desired to stop all development. The government had no capital or revenue surpluses even for the tertiary development; the government's road and communications programme drawn up before World War I remained largely unfulfilled even after World War II. Burma's credit-standing was never high enough to enable her to raise any loans for economic development. Even as late as 1939, when Burma's revenue resources had been greatly augmented after Separation, the Burma Fiscal Committee[6], an expert committee on financial and economic affairs, advised strongly against any attempt at raising loans in the open market which would have been bound to meet with failure.

It was therefore very fortunate for Burma that she was never required to go to the open market for such borrowing and suffer the indignity and other consequences of failure; she could never have raised even a part of that

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[6]Second Interim Report of the Burma Fiscal Committee, Chapter 1, Government Press, Rangoon 1939.

formidable amount which the Indian and other foreign concerns dared to risk and which they ultimately lost. It was particularly true of the Chettyar community which came forward (unlike other foreigners) to provide agricultural finance on a colossal scale to revolutionise the rice industry of Burma which became Burma's highest foreign exchange earner. This was never recognised by the nationalist press and politicians who often expressed contempt for Indian bankers, industrialists and traders as if Burma would have prospered without them.

India was Burma's principal partner in trade and industry but a large section of Burma nationalists was prepared to risk the loss of both by retaliatory action if they could exclude Indians. A Burman Minister of Commerce[7] asserted in 1939 that if India did not buy Burma rice, it would not make the slightest difference to the Burman cultivator and this probably represented a general point of view in those days.

It is difficult to make an estimate of the share of Indian trading firms in the conduct of Burma's foreign trade. The total value of the foreign trade was roughly around Rupees eight hundred million (or sixty million pounds sterling) per year; and it is well known that the

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[7] Simla Handbook on Burma; Government Press, Simla, 1942. p. 110

participation by Indian firms in this trade was very heavy. Except for the bulk conseignments for the government or large corporations, Indo-Burma trade was largely in Indian hands. Burma's average annual imports were valued at about Rs. 250 million, nearly half of which came from India. It would be fair to assume that imports from India were generally handled by Indian firms and the British firms were only moderately involved in jute, tea, coal and cigarettes due to their interests in those industries in India. Indian firms also had some share in the import trade with other foreign countries not excluding the Untied Kingdom, as some of the Indians acted as agents of the British, European and Japanese manufacturers in India and Burma. Assuming that about 75% of the imports from India and about 10% of imports from other countries were dealt with by Indian firms, the value of import trade handled by Indians would be not less than Rs. 100 million per year - approximately two-fifths of the total import trade of Burma.

As regards the export trade of Burma, the average annual value of total exports was approximately Rs. 550 million including exports to India valued roughly at Rs. 300 million per year. The exports to India of rice and other agricultural products such as potatoes, beans, grain, other pulses, tobacco, cotton and rubber were almost wholly in the hands of Indian

firms. Indians also had a large share of such exports to neighbouring countries like Ceylon and Malaya. Exports of kerosene and other petroleum products for domestic consumption in India were mostly handled by the Indian agents of B.O.C. and other oil companies except possibly the bulk supplies for Government and industrial concerns directly contracted by the oil companies themselves. Timber and other mineral products were also similarly handled partly by Indian and partly by the British concerns. Indians also participated moderately in such exports to other Asian and African countries. On an extremely conservative basis, it might be assumed that the Indian participation in the export trade was not less than Rs. 250 million per year - a little over two-fifths of the total export trade.

In all probability, the Indian participation in the foreign trade of Burma was much in excess of the figures mentioned above, but even if it were placed at the low level of (Rs. 100 million for imports and Rs. 250 million for exports) Rs. 350 million or around £27 million per year, the Indian capital needed for dealing with a trade of this magnitude would be very large - probably not less than 33% of the estimated value of the trade or about £9 million.

Indian participation in the local or domestic trade of Burma was also very extensive. Indian shops - particularly

grocery, departmental, food and drug stores, could be seen all over Burma in urban and rural areas. As mentioned in the chapter relating to the occupations of Indians, there were at the 1931 census about 82,000 Indian traders and shop assistants in Burma, constituting about 17.3% of persons engaged in trade. Most of the large shops in important centres of trade and in big cities such as Rangoon, Mandalay, Maymyo, Moulmein, Bassein, Pegu and Akyab belonged to Indians and each and every district town, subdivisional town and township centre contained several Indian shops. The Moslems of South India, popularly known as Chulias or Kakas owned shops even in remote villages, in addition to those located in the towns and cities. There were also a large number of prosperous Marwaris, Gujaratis, Parsis, Sindhis, Suratis and Khowjas - the traditional banias (traders) of India - doing business mostly in the big cities mentioned above. Indian hotels, restaurants, food centres, jewellery shops and cinema houses were fairly well distributed in all important cities and towns. Most of the traders also owned land and buildings at places of their business. The net worth of these traders was substantial but no reliable estimate is available. Though they included a number of small shopkeepers, the investments of all the Indian traders, big

and small, in the local or domestic trade of Burma would add up to a very large amount. Even if we assumed that the average net worth of each of these 80,000 or more persons in trade was a modest sum of Rs. 2,000 (which is ridiculously low for a city or town shopkeeper but probably high for a petty village shopkeeper) the total would exceed Rs. 160 million (or £12 million equivalent).

In addition to the above mentioned investments in the foreign and domestic trade of Burma, Indians had large stakes in the industries, urban real estate, banking, shipping, insurance, etc.; they also held substantial shares in the British joint stock companies engaged in rice, teak, petroleum and other leading industries of Burma; and of course, towering above all were the investments of the Indian Chettyars in agriculture and land (which have been dealt with in a separate chapter). All these would be taken into consideration, as far as practicable, while making an estimate of the wealth of Indians in Burma. But before concluding this chapter it would perhaps be pertinent to mention briefly some of the reasons which contributed towards the Burman apathy and bitterness to the Indian banking, industrial and trading community in Burma.

First and possibly the most important contributory factor was the rapid urbanisation of all centres of trade

and industry in Burma where many Burmans for the first time were compelled to reside in congested localities with the foreigners - mostly Indians, and to work and compete with them for their livelihood; this naturally created new problems - social, religious, racial and economic tensions - previously unknown in Burma. The Burmans, who had been accustomed to living in the more congenial and peaceful surroundings of a rural economy, were not prepared, as were the Indians, for such a struggle, and considered the competition between unequals as unfair to Burmans.

Secondly, the rapid growth of a modern money economy, the unprecedented expansion of trade, industry and communication and an alien administrative system in which foreigners took the lead, had created a new social order - a new class of rich and influential persons, among whom Burmans found themselves in a minority in their own country. In hard competition with foreigners, often a second place seemed to await them in every walk of life whether it was trade, industry, profession or service. With patience and diligence they could have overtaken the foreigners in this race as they were slowly but surely doing from the 1920's, but a few of the educated Burmans found an easy escape in a kind of nationalistic agitation which for convenience and safety was directed primarily against Indians

in general and the Indian business community in particular.

Thirdly, the Indian community was hopelessly divided within itself, disorganised and leaderless. It had several associations based on race, religion, language, caste or province but there was no co-ordination or co-operation among them and often an individual association had no control even over its own members in matters of trade and other business. The only exception was probably the Nattukottai Chettyar Association which to a great extent regulated the Chettyar banking business in Burma. An Indian Chamber of Commerce was formed only in the 1920's when dyarchy came into force. A very late-comer in the field and a modest imitation of the Burma Chamber of Commerce (representing the British big business since the 1890's) the Indian Chamber lacked both the leadership and the resources to become effective. It claimed to represent the Indian trading interests in general, but had actually little control over Indian traders, a great majority of whom were not its members. Indians had no association like the Rangoon Trades Association representing the European traders in medium and small business. There was none to speak for or regulate the conduct of thousands of Indian traders in Burma. As each did as he liked, the misbehaviour of the particular could affect the whole. The Indian business

community made it very easy for an agitator to cite a few in order to incite many; unfortunately, but naturally, the situation was fully exploited by rabid agitators.

Last, but not least, the Indian trading community was generally reluctant to join hands with Burmans for developing joint enterprises, such as joint stock companies, partnerships, or co-operative ventures. One community did not trust the other and in the process a wall of economic separation grew up much ahead of the political Separation. Indians could not be wholly blamed for this as Burmans also showed little inclination to join hands with Indians. Since the political agitation assumed an anti-Indian character from its early stages, it was not easy to work together in the economic field. However, Indians who had earlier experience of trading in foreign countries, should have tried to assist in developing a prosperous Burman trading community, jointly associated with Indians. Both the government and foreign traders overlooked the need for a rich class of forward-looking Burman businessmen for political and economic stability. The existence of a rich Indian business community side by side with a less affluent Burman society in urban areas created an imbalance - giving the communal newspapers and political agitators an unlimited opportunity to play on the disparity between the two communities. The

Indian traders and industrialists ordinarily known to be wise, failed to realise that to do business in Burma, they would have to live with the Burmans, share their fortunes and experience with the Burmans and prepare themselves to be governed by the Burman majority. They could ill-afford to sit on ivory towers - sheltered Brom the harsh realities of life and depending apparently on the checks and safe-guards of a Constitution made in London.

CHAPTER VI

AN ESTIMATE OF THE WEALTH OF INDIANS IN BURMA

In the earlier chapters, the problems of Indian Chettyars and the Indian traders in Burma have been discussed and an attempt has been made to indicate the extent of their investments in Burma. In the present chapter a broad appraisal will be made of other private investments of the Indian community in Burma - particularly their large scale investments in industries and urban real estates; an account will also be given of Burma's indebtedness to India in the public sector which figured in the financial settlement between the two Governments at 1937 Separation. In the course of these discussions, an attempt will be made to present a rough estimate of the total Indian investments on the basis of available information so that a general idea may be formed of the extent of Indian wealth in pre-war Burma.

The Indo-Burma debt settlement at Separation may be taken up first. The Separation of Burma from India involved the necessity of calculating the proportion of the total assets which would be taken over by the respective Governments and also the proportion of the liabilities which should

be assumed under the new regime. An advisory Tribunal was established under the chairmanship of The Right Hon. L. S. Amery, M.P. to determine "an equitable apportionment between the two countries of assests and liabilities" and on the basis of their findings to advise as to the way in which a just financial settlement should be made.

This Tribunal came to the conclusion that prior to Separation, the Government of India must be regarded as a unitary Government and that therefore, "all taxation up to the actual date of Separation was imposed and all expenditure allocated by the common Government in the common interest". They therefore advised (a) that all physical assets such as railways and public buildings should be vested in the Government of the geographical area in which they are situated and (b) that the responsibility for the discharge of the remaining liabilities should be allocated between the two countries on a general consideration of their respective economic and financial circumstances. They therefore arrived at the conclusion that the debt for which the Government of Burma was liable to the Government of India was composed of the capital value of the assets for which she had assumed direct responsibility plus a proportion of the excess liabilities plus the cost of pensions for services rendered in Burma. They concluded that on a consideration

of all the relevant data, the Government of Burma should contribute 7.5 per cent of the amount by which the total liabilities of the Government of India exceeded the total assets at Separation on March 31, 1937. In considering the period of time for the settlement of this debt, the Tribunal arrived at a compromise between the 60 years suggested by the Government of Burma and the 30 years asked for by the Government of India and based the Financial Settlement on equated payments over a period of 45 years. An exception was made in the case of liabilities for pensions which the Tribunal suggested should be capitalised and discharged over a period of 20 years.

After the publication of the Report of the Amery Tribunal, a further Application Committee was appointed to examine the accounts and to fix the amounts on the basis of the Tribunal's recommendation. The Committee estimated the debt of Burma to India at Rs. 507,549,000 excluding liability for pensions. This sum included Rs. 346,900,000 for Burma Railway assets and 13,570,000 for Post and Telegraph installations in Burma, the balance being Burma's share at 7.5% of the total excess liabilities of the Government of India at Separation. The rate of interest agreed upon for the valuation of the debts and for the conversion of capital sums into annuities was 3½%; the annuity required to redeem the

principal and interest in 45 years was Rs. 22,500,000.

As regards pensions, it was found in practice impossible to collect data in respect of thousands of pensioners, to arrive at a capital value of pensions (as originally contemplated by the Amery Tribunal). It was therefore decided that the liability should be discharged by annual payment by Burma of 7½% of the actual sum paid from Central Revenues in respect of central pensions in issue on the date of Separation. This was calculated at Rs. 800,000 for 1937-38, Rs. 750,000 for 1938-39, and would gradually be eliminated within about 15 years as pensioners died out.

The assets of which Burma assumed possession at Separation were very substantial[1] as can be seen from the following table:

Table 1.

	Rs. in millions
Burma Railways:	346.90
Post and Telegraph:	13.57
Advances to Burma from Provincial loan funds:	67.49
other interest-bearing advances:	2.45
cash to provide working balance at Separation:	20.00
Total	450.41

[1] Second Interim Report of the Burma Fiscal Committee: Chapter I. Government Press, Rangoon, 1939.

Burma respected her obligations to India and made regular payments towards the liquidation of her debts during the fiscal years 1937-38 to 1940-41. It ceased payment only when the country was invaded by the Japanese towards the end of 1941. The amount outstanding at that time was approximately Rs. 486.9 millions of the original debt plus an unspecified amount of liability for pensions.

Shipping: In the chapter relating to the Indo-Burma trade we have observed India's predominant position in the foreign trade of Burma. The trade was carried by ocean shipping companies, two of which, namely the British-owned B.I.S.N. (British India Steam Navigation Co.) and the Indian-owned S.S.N.C. (Scindia Steam Navigation Co.), shared between them most of the shipments from Burma to India and vice versa. There was mutual understanding between the two companies and the one did not challenge the other in respect of freights, rates, routes and other matters. There were no Burman companies in this business and the European, Japanese or other foreign shipping concerns had a much smaller share. The total tonnage of vessels moving each way between India and Burma was between two and three millions tons a year and the share of Indian ships was gradually growing as can be seen from this table:

Table 2.

Total tonnage of vessels (including their repeated voyages)[2] which entered Burma with cargoes from India and which cleared with cargoes to India.

(in million tons)

	From India to Burma				
	1935-36	1936-37	1937-38	1938-39	1939-40
British ships	1.79	1.50	1.41	1.48	1.34
British Indian	.34	.55	.65	.65	.69
Foreign	.36	.40	.35	.37	.18

	From Burma to India				
	1935-36	1936-37	1937-38	1938-39	1939-40
British ships	2.06	1.83	1.56	1.60	1.62
British Indian	.48	.62	.80	.84	.87
Foreign	.50	.46	.38	.41	.26

About one-third of the total volume was probably carried by Indian ships, mostly owned by S.S.N.C. Another shipping company with two fairly big ships was organised in the early 1930's by Mr. Abdul Bari Chowdhury, a leading Indian merchant of Burma, known as the Bengal Burma Steam Navigation Co. (B.B.S.N.) which offered some competition to B.I.S.N. but ultimately it joined with S.S.N.C. As both B.I.S.N. and S.S.N.C. had world-wide interests in shipping, their capital investments devoted to Burma trade cannot be ascertained.

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[2] Annual Statement of Seaborne Trade and Navigation of Burma: 1937-38, 1938-39 & 1939-40, Government Press, Rangoon 1938-41.

B.B.S.N., solely organised for Bengal-Burma trade, closed its doors by the mid-1930's and apparently its share of the trade was taken over by S.S.N.C.

Inland road and water transport: It has been noted in the chapter relating to the occupations of Indians that there were nearly 35,000 Indians engaged in road transport (other than railways), constituting about 35% of the workers in that business. Most of the taxis in urban areas were run by Indians who also owned motor trucks and buses for road transport. The number of registered motor vehicles in Burma was about 20,000 in 1940 including about 3,000 trucks, 3,000 buses and probably an equal number of taxis. A substantial number of these and also other kinds of road vehicles drawn by horses, bullocks and buffaloes were owned by Indians; And of course, there were also thousands of Indian-owned rickshaws on roads everywhere, pulled by Indian labourers.

As regards inland water transport, the British-owned I.F. Co, with their large fleet of steam launches had the lion's share; a few Indian concerns such as R. K. Pal & Co. of Rangoon, Malakars of Bassein and Chowdhuris of Akyab, were also in this business on a small scale in the coastal areas of the Tenasserim, Irrawaddy and Arakan Divisions of Burma. A large number of sailing boats for transport of

paddy and rice, and sampans for transport of passengers within short distance waterways were also owned and manually operated by Indians. It is impossible to make an estimate of the value of Indian investments in the road and water transport business although the amount would appear to be substabtial.

Banking and Insurance: Practically all the large Indian Banks and Insurance Companies of India had their branches in Burma and did extensive business in banking and insurance. After the war and British re-occupation of Burma, their obligations to Burmans were fully honoured. Burmans had no large commercial banks or insurance companies of their own and therefore utilized the services of foreign concerns - mostly the facilities offered by the Indian banks and insurance companies in Burma. We have made a separate note of the Indian Chettyar Bankers' investments in Burma. It is not possible to ascertain the amounts employed in Burma by other banks and insurance companies of India . Some of them had fixed assets in office buildings and staff quarters, but as the commercial banks (other than Chettyars) were mostly engaged in short term financing, probably their capital investments were not large. So far as the insurance companies were concerned the premiums collected in Burma

were usually transferred to India after meeting local expenses, and they probably had no significant permanent assets in Burma, other than their own office buildings and equipment. However, both the commercial banks and insurance companies used to subscribe substantially to Government loans, treasury bills, loans of local bodies and shares of British and Indian joint stock companies - most of which were encashable and normally considered as safe investments; the extent of their participation in such investments is not known and can not be estimated.

Industries: The Indian investments in industry were very large and probably closely followed the heavy investments made by the British concerns for the industrial and mineral development of Burma. The factories owned by the various communities in Burma in 1939-40 were as follows:[3]

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[3] Annual Report on the working of the Factories Act (1934) for the year 1939-40. Government Press; Rangoon, 1940.

Table 3.

Factories occupied by various classes of communities in Burma, 1939-40.

owners	Total	Engineering		Saw Mills		Rice Mills		Vegetable oil mills	
		number	persons employed	number	persons employed	number	persons employed	number	persons employed
Government	27	18	4,208	2	85	-	-	-	-
European	119	31	5,216	6	4,294	27	10,890	5	671
Burman	381	-	-	35	1,681	311	11,585	14	443
Indian	303	7	406	51	3,587	190	10,760	3	133
Chinese	197	-	-	19	1,197	164	9,198	7	262
Japanese	4	-	-	-	-	-	-	-	-

owners	others		cotton ginning		other seasonal	
	number	persons employed	number	persons employed	number	persons employed
Government	6	1,908	1	64	-	-
European	38	10,965	7	1,024	5	359
Burman	6	494	15	656	-	-
Indian	26	4,459	24	1,423	2	986
Chinese	6	438	1	44	-	-
Japanese	2	160	2	380	-	-

The above factories include only those in which power is used in aid of a manufacturing process and in which 20 or more workers were employed.

Contrary to common belief, the above table demonstrates clearly that Burmans were not less enterprising than the Indians in the industrial field. They owned a larger number of factories and in fact their factories met very largely the requirements of Burma's domestic trade. If they were behind the Indians in the export market it was due to their lack of contact with foreign traders which they would certainly have developed in due course. According to this table, Indians owned 7 engineering factories, 51 saw mills, 190 rice mills, 3 vegetable oil mills, 24 cotton ginning factories and 28 other factories. These 28 other factories included Burma's largest hosiery and underwear mill owned by a Moslem firm 12 miles from Rangoon - employing about 1,200 workers, most of whom were Burman women; Burma's largest sugar factory owned by Sinha at Zewaddy - 140 miles north of Rangoon - employing about 1,000 workers; Jewanlal's aluminium metalware factory at Insein near Rangoon - employing about 350 workers; Burma's largest modern match factory of Adamji Haji Dawood employing about 1,500 workers, most of whom were Burman women; Birla's modern starch factory, the only one of its kind in Burma, employing about 350 workers; Nath Singh Oil Company's Oil Field installations and a small refinery at Yenangyaung employing about 1,000 workers; three flour mills owned by Neogy and

others; several factories for manufacturing ice, aerated water, soaps, chemicals, bricks, tiles, furniture and rubber goods and a number of printing presses and district electric supply concerns etc. It is difficult to make an estimate of the total investments of these concerns including the value of their fixed assets in lands, buildings and road, plant and machinery, workshop and staff quarters, working capital and other ancillary facilities. Plant and machinery for all the mills, big or small, had to be imported from foreign countries at heavy cost as they could not then be manufactured in Burma. Most of the 190 rice mills and 51 saw mills were medium sized modern mills designed to process rice and timber up to an exportable standard for the competitive world market. The same is true of most other mills, particularly aluminium, hosiery, sugar, matchh, cotton ginning, oil and starch factories, all of which were set up in collaboration with the British, European or Japanese manufacturers. Of the 1,031 factories in Burma in 1939-40, Indians owned as many as 303; for purposes of rough calculation if the average value was estimated at Rs. 500,000 per unit, their total value would exceed Rs. 150 million or £11.25 million.

Urban Real Estates: Indians owned much valuable land and many substantial buildings, erected for residential,

business and rental purposes, in all big and small towns and cities of Burma; particularly in important trading centres such as Akyab, Bassein, Mandalay, Pegu, Moulmein, Maymyo and Rangoon. It is not possible to ascertain the value of such properties in all centres of trade and business. But there is some material in respect of the properties in Rangoon, the principal port and the capital of Burma, from which a rough estimate of the value of Indian-owned properties in Rangoon may be made. As is well known, Rangoon was built and developed almost wholly by Indian capital and labour from the swamps and water-logged jungles near the confluence of Rangoon River, Pegu River and Puzundaung creek into one of the most beautiful and magnificent cities of the East and the second largest port of the Indian Empire - some 20 miles from the sea.

At the 1931 census, 21% of all Indians in Burma lived in Rangoon, they constituted about 53% of the city's population of about 400,000 and owned most of the valuable lands, residential buildings and places of business in the city. The part played by Indians in the working life of Rangoon was overwhelming as could be seen from the following table:[4]

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[4] James Baxter: Report on Indian Immigration. Government Press, 1941. p. 37.

Table 4.

	Workers of all races	Indian workers	Indian Percentage
Semi-skilled & unskilled:	88,353	78,183	88.5
Traders & shop assistants:	44,554	30,958	69.5
Skilled craftsmen:	36,184	20,325	56.1
Clerical workers:	12,618	6,783	53.7

According to the Report of the Municipal administration of the city of Rangoon 1939-40, the total monthly assessable value of properties, privately owned, as at 31st March, 1940, was Rs. 2,161,945 and the annual assessable value was Rs. 26 million approximately. The annual assessable value of a property was considered to be the equivalent of its net rental income after allowing for usual deductions (for repairs, maintenance, insurance, ground tax, vacancies, collection charges, etc.) from the gross rent. The city tax normally payable by the owners of the properties was then fixed at 21.5% of the net rental (i.e. the monthly or annual assessable value of the properties). On this basis, the municipal taxes payable on the assessable value of Rs. 26 million would be about Rs. 5,590,000 per year in respect of private properties in Rangoon. The actual amounts demanded and paid by the owners were as follows:

Table 5.

[5]Property Tax Collection - City of Rangoon

Tax on Private Properties.	1936-37	1937-38	1938-39	1939-40
Amount demanded: (including some arrears of the previous year)	6,483,542	6,717,554	6,732,882	6,917,027
Amount paid:	5,518,684	5,791,660	5,671,247	5,861,550

We could, for purposes of our rough calculation, safely assume that at least sixty per cent of the real estates of Rangoon, if not more, was owned by Indians. The net rental value of such properties would therefore be around sixty per cent of Rs. 26 million (being the assessable value fixed by the City Corporation) or say, about Rs. 16 million. It would not be unreasonable to assume that the capital value of the properties yielding a net rental of Rs. 16 million, was at least Rs. 160 million or £12 million. In fact, Rs. 160 million would be a conservative estimate indeed for many reasons: firstly, Rangoon was essentially an Indian city where a very large majority of landlords were Indians who owned practically all the multi-storied residential quarters, mercantile houses, villas, important shopping

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[5]Annual Reports on the Municipal Administration of the City of Rangoon, 1936-37, 1937-38, 1938-39, 1939-40: Published by the City Corporation.

centres, theatres and cinemas; secondly, for purposes of the property tax, the property value was usually understated and claims for deductions always overstated to reduce the tax burdens; and finally, most of the owner-occupied properties were valued and taxed much lower than those used for rental or business purposes.

There is no way of finding out the value of real estates owned by Indians in other important cities such as Akyab, Moulmein, Bassein, Mandalay, Pegu, Maymyo, etc., where many rich Indians used to live for commerce, industry and profession. The total value of all the urban properties owned by Indians in Burma (including Rangoon) might be "safely estimated at Rs. 25 Crores" (i.e. Rs. 250 million or £18.75 millions) said Mr. Narayana Rao, an Indian economist and member of the Burma Legislative Council.[6]

Plantations: Indians owned a number of plantations in Burma, mostly rubber plantations. In his statement before the Whyte Committee on Constitutional Reforms for Burma in 1921, Col. C. S. Thane, O.B.E., President of the Burma Planters' Association,[7] claimed special representation on

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[6]A. Narayana Rao: Indian Labour in Burma, Kesari Printing, Madras, 1933. p. 208.

[7]Burma Reform Committee Report; Evidence Vol. III. H.M's Stationery Office, 1922.

behalf of the owners of large plantations which included twenty-six Europeans, six Indians, four Burmans and three Chinese; all owners of one or more plantations. It is not possible to ascertain the value of such estates owned by Indians.

Investments of foreign Corporations (other than those owned by Indians and Chinese) were estimated at £47.2 million equivalent in 1941 according to J. Russell Andrus, former Professor of Economics, Rangoon University.[8] These were mostly the investments of the British Corporations in Burma in various industries including rice and timber mills, the production and refining of mineral oils, the mining of silver, lead, tin, wolfram, forest leases, plantations, inland water transport, etc. Indians had substantial investments in all the British companies most of which were operating simultaneously in India and Burma. For instance, the Bombay Burma Trading Corporation (B.B.T.C.), the oldest and the largest British Timber Company (which had a head office in Bombay and whose dispute with the last Burmese King led to the 3rd Anglo-Burman War and the final conquest of Burma) included substantial Indian participation. The same may be said of the Burma Oil Company, Steel Brothers,

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[8] "Foreign Investments in Burma" Pacific Affairs; March 1944, p. 93.

and other important timber, oil and mining concerns. But there is no way of knowing the extent of Indian investments in such companies. It may not perhaps be unreasonable to assume that about 10% of the shares of such British concerns, all of which figured very prominently in the Indian Share or Stock Exchange markets all over India, were held by Indians.

Moneylenders: There were many Indian moneylenders (other than Chettyars) such as Multanis, Sindhis, Bhatiyas, Hindusthanies, who had moneylending businesses in towns and cities of Burma. Some of the Indian shopkeepers also practised moneylending as a side-business. It is not possible to ascertain the value of such operations.

On the basis of the above discussions (including also those in Chapters IV and V), the position of the Indian investments in Burma before the war (or as at 1941 before the Japanese invasion) may be briefly summarised as follows:

	Rs. (Millions)
Indian Chettyars	750.0
Debt owed to Government of India	486.9
Indians in Export & Import Trade	120.0
Local Indian traders & shopkeepers	160.0
Indian shipping ..... Inland waterways & road transport ..... Indian Insurance Corporations ..... Indian Banking Corporations ..... Indian Moneylenders (other than Chettyars).	cannot be estimated
Indian Industrial establishments	150.0

	Rs. (Millions)
*Rangoon Real Estates	160.0
*Real Estates in other towns & cities ..) Plantations & Mines .....)	cannot be estimated
Investments in foreign corporations (10% of £47 million)	63.0
Total	1,889.9 or £142 million approx.

The foregoing figures fall far short of the amounts claimed by the Indian community to be the real value of their investments in Burma. For instance, the Chettyar investment was estimated at over Rs. 1,000 million (£75 million) by Mr. Narayana Rao instead of Rs. 750 million (£57 million) as shown above. An Indian deputation including Mr. S. N. Haji, Mr. R. G. Ayengar, Indian Members of the Burma Legislative Council and other Indian leaders, which waited on the Viceroy in June, 1931 to represent the Indian interests, claimed that the Indian investments in Burma at that time was about Rs. 5,000 million (about £375 million). The New York Times, March 12, 1949 (in a report from its correspondent Mr. Robert Trumbull) stated that Indians owned rice lands valued at rupee equivalent of about U.S. $ 300 million and that the Indian interest in banking, commercial and industrial

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*Mr. A. Narayana Rao estimated the value of Indian urban real estates at Rs. 250 million (£18.75 million) but no details for such an estimate are available.

enterprises were estimated at the rupee equivalent of more than U.S. $ 600 million. These, together with the public debt owed to India, would again place the value of Indian investment at about £375 million. As against these figures, a rough estimate made by the Burma Reconstruction Department in Simla in 1944 placed the value of Indian privately owned assets in Burma at between £125 million to £150 million on a conservative basis.

Mr. J. Russell Andrus, a former Professor of Economics at Rangoon University, gave a rough estimate of total foreign investments in Burma in 1941 as follows:[9]

Foreign Corporations:	£47,200,000
Chinese:	2,800,000
Indian Chettyar:	56,000,000
Government & Municipal obligations:	45,000,000
Urban Real Estate:	3,250,000
Indian Industrial establishment: ...	1,000,000
Total	£155,250,000

The figure for Foreign Corporations (which do not include Indian and Chinese concerns) were taken from "Foreign Capital in South-East Asia" by Dr. Helmut G. Calles who based his figure upon a study of corporation reports. This probably

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[9] Burmese Economic Life: J. R. Andrus, Stanford University Press, California, 1948. p. 184.

represented mostly the investments of large British Corporations[10] in Burma which used to publish their reports. There is no published reports for the Indian and Chinese concerns. Mr. Andrus does not claim accuracy for any of the figures; but his estimate of Indian investments is obviously an underestimate as it would appear to include only the following amounts:

	Indian Chettyars:	£56,000,000
	Government obligations to India	36,800,000
	Urban Real Estate: .....;.....	3,250,000
	Indian industrial establishments: ..	1,000,000
Add	about 10% foreign corporations:	4,720,000
	Total ...	£101,770,000

However, after taking all these estimates into consideration, one may perhaps conclude without much fear of contradiction that the estimated value of the wealth of Indians in Burma at 1940-41 prices was not less than £150 million and was probably somerwhere between £150 and £375 million. Even if we assume £150 million to be a dependable estimate, its value in terms of present purchasing power would be about £750 million,

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[10]Lord Zetland and Sir Samuel Hoare, Secretary of State for India, estimated the British Capital investment in Burma at from £40 million to £50 million sterling. House of Lords Debates, vol. 98, 1934-35, p. 144: Commons Debates, vol. 300, 1934-35, p. 1195.

if not more - a formidable amount of foreign capital that had come to stay permanently in an underdeveloped country. Burma got it without much local effort and naturally therefore, never appreciated its true value. Nor did she realise that it was actually a national asset which with proper nursing and regulation could be multiplied many times for the benefit of all Burmans. Instead of offering encouragement and stability, Burma succumbed to aggressive nationalism, racial hatred, communal riots, professional jealousies, war and invasion. All these combined to kill the goose that laid the golden eggs.

CHAPTER VII

POLITICAL PROBLEMS OF INDIANS IN BURMA - 1900-1922

The political problems for Indians in Burma had their origin in the annexation of Burma to the Empire of India, through wars and conquest which were staged from India predominantly with Indian men and materials. The first Anglo-Burman War (1824-26) resulted in the annexation of Arakan and Tenasserim; the second Anglo-Burman War (1852) brought other parts of Lower Burma under British-Indian occupation; the third Anglo-Burman War (1885) ended the Burman Kingdom and included the whole of Burma as a part of British India. These wars were waged from India mostly with Indian fighting forces under the command of British officers and the costs* of the wars were also borne by the Indian exchequer. Though the wars were fought in the interests of the Imperial Government, to make India a viable unit of the British Empire, the 'guilt of association' fell on Indians. Nothing

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*Report of the Standing Finance Committee of the Indian Legislative Assembly on Howard-Nixon memorandum (about financial questions to be considered at Separation of Burma) quotes Mr. Nixon's estimates of the costs of these wars at between £6 and £16 million sterling for the first and second wars and between £4 and £6 million sterling for the third war. Legislative Assembly Debates, Vol. III, 1932: p. 2224-2229. Government Press, Simla, 1932.

had shaken the pride of Burmans and wounded their national feelings more than the destruction of their kingdom, the last vestige of their independence. The role of Indian army first to subjugate Burma and then to keep her in bondage could hardly be forgotten by Burmans.

In the eyes of Burmans, Burma Indians therefore remained as associates of the Imperial power in the subordination of their country. Burmans saw that for purposes of administrative control, Burma was made a province of India, Indians were introduced in all departments of Government to impose the Indo-British system of administration, the Indian soldiers were used for the suppression of rebellions (or wars of independence as Burmans would say), the Indian military police was introduced for the restoration of law and order, and the Army in Burma always remained largely Indian in composition. All these gave the appearance of an Indo-British occupation of Burma rather than the British occupation of Burma.

The organisers of the Indian National Congress, who were mostly intellectuals and also liberals, saw this anomaly and the Congress in its first annual meeting held towards the end of 1885, passed a resolution which read: "The Congress deprecates the annexation of Upper Burma and

considers that if the Government unfortunately decides on annexation, the country of Burma should be separated from the Indian Vice-royalty and constituted a Crown Colony as distinct from the Government of this country [India] as is Ceylon".[1] The Congress, though powerless, then represented the politically conscious Indians in British India, and petitions or resolutions were its normal methods of representation to the ruling power. It could therefore do no better than lodge its protest against the decision of the Imperial Government. The Government of course ignored the resolution of the Congress and proceeded vigorously with the liquidation of the Burman Kingdom, the suppression of the local resistance and the total incorporation of the country in the Indian Empire.

As a newly acquired territory, where the people were unaccustomed to the new administration and were not easily amenable to new disciplines, Burma remained until the 1890's a sort of backward territory, a Cinderella among other Indian provinces. The transformation began slowly in 1897, when Burma was elevated to the rank of a second class province with the promotion of the Chief Commissioner of

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[1]D. P. Sitaramaya: History of Indian National Congress. Vol. I. p. 68. Published by the Congress Committee, Madras.

Burma to the rank of Lieutenant Governor. A Legislative Council was created to assist the Lieutenant Governor in matters of local legislation, but the Legislative Council had no powers being a purely consultative body; and the Lieutenant Governor had also no autonomy being still a subordinate of the Governor-General of India in all matters. But the country and its Government acquired a new status equivalent to that of a Province of India.

The Legislative Council was to consist of only nine temporary members all to be nominated by the Lieutenant Governor. The first Council included five European officials, three European non-officials and a Shan Chief. The composition of the Council remained about the same for a period of twelve years until 1909. The Burmans and other communities of Burma including nearly half a million Indians (who were then living in Burma and providing the bulk of manpower and capital needed for administration, trade and industry) remained totally unrepresented.

When the Morley-Minto Reforms were introduced in India in 1909, the Burma Legislative Council was enlarged to include 15 members, of whom 14 were to be nominated by the Lieutenant Governor and one to be elected by the Burma (British) Chamber of Commerce. One of the 14 nominated

members was a Burma Indian Mr. M. Cowasji - a Parsi professional man. As there were only two Burmans to represent the majority community, the Indians could possibly congratulate themselves for having a seat in that Council. The number of Burmans was increased when the membership of the Council was increased to 17 in 1915 and to 28 in 1920, all to be nominated by the Lieutenant Governor (except two elected by the British Traders' Association and the Chamber of Commerce). But this enlargement did not affect the Indian community except that when Mr. M. Cowasji died in 1917, his place was taken by Dr. N. N. Parek (another Parsi - a respectable medical practitioner of Rangoon). It is needless to say that the Indian representation in the pre-Dyarchical Councils (1909-1922) was ridiculously low. However, the Council was powerless; resolutions could be moved, questions asked, but everything was purely advisory and the government was not bound to accept any advice. The principle of popular election was not extended to Indians or Burmans until the Dyarchy was introduced.

The Morley-Minto Reforms of 1909 had been preceded and followed by intense agitation for Self-Government in India but the Burmans or Burma Indians did not participate in the movement. In fact there was no political party or association

in Burma to do so. The Indian National Congress which led the movement for Self-Government in India was undoubtedly in favour of Self-Government for Burma as well since Burma was then part of India. But after the resolution adopted in the first session of the Congress in 1885 (protesting against the annexation of Burma) the Congress did not take any active steps, to extend its activities to Burma. In 1908, the Congress Constitution was revised and,[2] the all-India Congress Committee was enlarged to include 107 members representing all the provinces of India of whom two would represent Burma, A Burma Provincial Congress Committee (B.P.C.C.) was established in Rangoon in 1908 under the leadership of Dr. P. J. Mehta (an old friend of Mahatma Gandhi) who was then the head of an Indian business concern in Rangoon. Dr. Mehta was a prominent social worker and was highly respected by all the communities in Burma. He was assisted by Pundit Madanjit, a full-time Congress worker, and a few other Burma Indians and Burmans, some of whom became members of the Congress. Though the Congress never gained much popularity in Burma - particularly among the Burmans, the credit must go to Dr. Mehta, a Burma Indian, and

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[2] Dr. P. Sitaramaya; History of the Indian National Congress. Vol. I. p. 91.

his associates, for planting the first political organisation in the soil of Burma in 1908, the first year of the entry of the Indian National Congress in that country.

In 1906, a few western-educated Burmans founded the Young Men's Buddhist Association (Y.M.B.A.) on the lines of the Young Men's Christian Association (Y.M.C.A.); but it was essentially a socio-religious association and not a political body. Some of the young members of Y.M.B.A. were, however, closely associated with Dr. Mehta and probably influenced by his thinking. Some of them, particularly U Chit Hlaing, U Thein Maung and a few others who later became leaders of nationalist movement in Burma, also became members of the Congress for a time. Until 1916, the leaders of Y.M.B.A. and the Burma Provincial Congress Committee (B.P.C.C.) were apparently in close touch with one another and discussed problems of mutual interest. However, B.P.C.C. failed to attract many Burmans and there was not much meeting of minds with Y.M.B.A. The objectives of the two bodies were different from the very beginning; B.P.C.C. was a purely political organisation, supported by a small section of upper and middle class Indians in Burma who, in the eyes of Burmans, were generally associated with business monopolies, moneylenders and bureaucrats. Y.M.B.A. was still non-political

and unaffected by the Indian methods of resistance initiated by the Indian National Congress (boycott, walk-outs, meetings, processions, etc.).

Unlike India, the impact of World War I on the development of political consciousness in Burma was small. The British war aims, and President Wilson's statement about self-determination, and the ideal of Commonwealth as opposed to the autocratic centralised state of Germany, were preached in Burma. The waves of strong political agitation in India for Home Rule or Self-Government reached the shores of Burma and the educated Burmans and Burma Indians were aware of the terrorist activities of a section of young educated Indians for political purposes during 1908-1916. But these did not immediately generate any political movement in Burma. As a matter of fact, Burma was considered then to be a safe place for confinement of extremist leaders of India (B. G. Tilak, the father of the Indian extremist movement and a few other leaders were confined to Mandalay for several years).

However, Burma suffered very badly from the economic effects of World War I. The war-time shortage of shipping and the operations of German war ships in the Indian Ocean adversely affected her export trade and there was considerable economic distress and discontent in the country. In

1916, a number of educated and politically inclined young Burmans headed by U Chit Hlaing, U Thein Maung and others (who were associated with the Congress or B.P.C.C.) somehow succeeded in getting Y.M.B.A. (which was still a socio-religious organisation) interested in a semi-religious and semi-political agitation with the ostensible purpose of prohibiting the wearing of shoes at pagoda premises - a custom observed by Burmans and Indians but often overlooked by Europeans while visiting pagodas. This movement had immediate popular appeal and aroused some nationalist sentiment.

In July 1916, Sir Harcourt Butler, a former member of the Viceroy's Executive Council and the war-time Lieutenant Governor of Burma, appointed a Committee of eight senior British Civil Servants, four foreign Missionary Educators and two Burmans to advise on educational reforms in Burma. To prevent young Burmans from taking to paths of extremism (like young Indians in India), the Committee amongst other things recommended steps to strengthen in Burma the sense of obedience and loyalty to the Imperial Government and to foster among the Burmans 'a patriotic spirit of Burma for Burmans within the Empire'. It was an indirect warning to young Indians not to meddle with Burma politics. The young patriots of Burma looked upon this Committee, popularly

known as "Imperial Idea Committee", with suspicion but they readily adopted the slogan "Burma for Burmans within the Empire".

On August 20, 1917, the Secretary of State for India (Mr. Montagu) made the momentous declaration that the policy of His Majesty's Government was, "The gradual development of self-governing institutions, with a view to the progressive realization of responsible Government in India as an integral part of the British Empire". Mr. Montagu visited India towards the end of 1917 to report jointly with Lord Chelmsford (the Viceroy), on the constitutional reforms for India. The decision of the Montagu-Chelmsford Committee to exclude Burma from its itinary created alarm in the minds of Burmans who thought that Burma might be left behind India in reforms. Y.M.B.A. organised a Burman delegation which visited Calcutta to present Burma's case for reforms before the Viceroy and the Secretary of State in December, 1917. The delegation pleaded[3] that the union of Burma with India was "wholly artificial" and that in the forefront of their programme was "a fervent prayer for the separation of Burma from India". They said, "the Burman

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[3] A copy of their memorandum is reproduced as Annexure to the Burma Legislative Council Proceedings, vol. V. April 1939. p. 1822.

nation is as dissimilar from the Indian peoples as any two nations can possibly be" and "the dissimilarity is not merely one of religion, but also of race, language, tradition, art, ideals, laws and the whole fabric of social system". They concluded: "We wish to exist as a separate entity within the Imperial Commonwealth and naturally dislike the idea of our distinct individuality being merged in and overshadowed by India". The political agitation in Burma thus began with a demand for Separation from India; the idea of 'Burma for Burmans within the Empire' had begun to work and the Burman nationalism was taking shape, generally anti-Indian in outlook. It was a clear warning to the United Kingdom and India that Burma would not accept any subordination through a backdoor of the Indian Empire.

The Montagu-Chelmsford Committee recommended the exclusion of Burma from the reforms proposed for India. This did not however mean that the Committee had overlooked the claims of Burmans. Y.M.B.A. representation for Separation of Burma had certainly not fallen on deaf ears. Though Lord Chelmsford and Mr. Montagu did not raise the subject of Separation in their report and indeed assumed that for military reasons Burma should remain part of the Indian polity, they fully recognised that Burma was not India and

that her problems were altogether different. Also, the ultimate Separation of Burma from India received a tacit recognition in the Report of the Joint Select Committee on the Government of India Bill, 1919. While agreeing with the Montagu-Chelmsford recommendation that Burma should not be included in the scheme of constitutional reforms for India, the Committee did not doubt that a separate constitution should be provided for Burma; "Burma is only by accident part of the responsibility of the Governor-General of India. The Burmese are as distinct from the Indians in race and language as they are from the British" said the Committee. It recommended that Burma's problems being "altogether different", its political reform should be "left for separate and future consideration".

Sir Reginald Craddock who succeeded Sir Harcourt Butler in 1917 as Lieutenant Governor of Burma was authorised to prepare the draft of a Separate Constitution for Burma. Sir Reginald was formerly a Home Member of the Viceroy's Executive Council for five years and had much unpleasant experience of the Indian political movement which was fast assuming an extremist form by the time he left India. It became one his main preoccupations to keep Burma safe from infection by Indian politics. His very first political adress in the Burma Legislative Council contained

a violent tirade against the Indian extremists and a grave warning to Burmans not to imitate the Indian example.[4] Though he did not press for immediate Separation, he took the view that ultimate Separation was inevitable. "Burma desires recognition that she is not one of the several Indian provinces but a distinct country attached to the Indian Empire and that her treatment in respect of matters administrative, financial, commercial, industrial and political should not be brought into any rigid conformity with that found suitable for Indian Provinces" he exhorted in the same speech.

In another speech made on a ceremonial occasion (Durbar) he warned the Burmans of the grave consequences of joining the Indian National Congress. "If 'young Burma' are anxious to join hands with Indian National Congress" and "to adopt their shibboleths sinking all originality of their own", Sir Reginald would then revise his "constant contention" that "Burma is not one the several Indian Provinces but is entirely a separate country whose people belong to a separate family of nations and whose language, habits, and social custom are entirely dissimilar, who never in the old days came

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[4] Speeches by Sir Reginald Craddock, (1917-22); Government Press, Rangoon, 1924. p. 26-27.

under Indian rule and have no desire to be absorbed into ah Indiam nation, of which they would form but a small alien minority". "I hope gentlemen, that 'young Burma' will not be misled by extremists into selling their birth-right for a mess of Indian pottage" he concluded.[5]

With great enthusiasm, Sir Reginald produced a draft scheme of constitutional reform for Burma which basically retained all real powers in the hands of the Governor. The scheme was a hotch-potch of many things. It is not necessary to discuss the details except for pointing out the official thinking of the period so far as it affected Indo-Burman relations. The scheme, as slightly modified by the Governor-General of India (Lord Chelmsford) provided for (i) an extension of the local self-government up to district level; (ii) a nominated executive Council of six members divided into three committees, each with an official and non-official member, to assist the Governor (only two of the non-official members were to be Burmans); and (iii) a Legislative Council of 56 "elected" members and 36 nominated members. The only persons who were given a direct vote were the municipal voters of large towns who would elect 19 of the 56 elected representatives; the remaining so-called "elected" members would be selected by the local

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[5] Speeches of Sir Reginald Craddock (1917-22); Government Press, Rangoon, 1924. p. 188-189.

bodies of rural areas. Indian interests received little consideration and no special provisions were made for Indian representation. It was assumed that Indians might be elected from the general constituencies, failing which the Governor could find one or more places for Indians among the 36 members to be nominated by him. It was further provided that Burma would not be represented in India's Central Legislatures; Indian legislation would not apply to Burma unless it was passed by the Governor and his Council; and the designation of the Governor-General of India would be changed to the Governor-General of India and Burma as a recognition of Burma's separate status. Briefly, the scheme fell short of Dyarchy and was designed to be the first step towards Separation of Burma.

The Montagu-Chelmsford recommendation to exclude Burma from the proposed Dyarchy for India and Sir Reginald's crude scheme confirmed the worst fears of Burmans that Burma might be left behind India in political reform; this brought about a new political awakening in Burma, and propelled Burmans towards an organised movement in 1919-20. A General Council of Burma Associations (G.C.B.A.) was formed and following the example of the Indian National Congress, the Burmans organised mass meetings and other

forms of demonstrations all over Burma; they raised funds (to which Indians also contributed) for sending a delegation to London in the autumn of 1919. Sir Reginald openly denounced the political movement of G.C.B.A. and alleged that the Burmese delegation to London was Indian-inspired and subsidised by Indians. The delegation succeeded in obtaining a statement from the Secretary of State and another from the Joint Select Committee of Parliament which said in general terms that Burma would receive a constitution analogous to India's and that the Burmese opinion would be consulted before any Bill affecting Burma was introduced in Parliament. Encouraged by the success of the first delegation, Burmans sent a second delegation to London in mid-1920 and received some assurance from the Secretary of State that (instead of the Craddock Scheme) the Dyarchical reforms would be extended to Burma after the necessary details had been worked out by a Committee in regard to franchise, composition of legislature, subjects to be transferred, etc. The two G.C.B.A. delegations did not press for the immediate Separation of Burma from India; their primary object was to see that Burma was not left behind India in political reforms.

But from this time onward Burmans never gave up agitation for Separation and Self-Government, and feelings

against the Government of India and Indians in general continued to grow in Burma. Sir Reginald advised the Burmans in his speech[6] at the meeting of the Burma Legislative Council in April 1920 that although the Separation "controversy is now agitating the public press" and "the ultimate Separation of Burma will be the probable outcome of political developments", they should understand that "immediate separation is not within practical politics of the near future". He also assured the Indians that although "the cry for Separation has created some uneasiness and alarm amongst Indians who are domiciled in Burma or have trade and business here" he could "see no ground whatever for such uneasiness". But at the same time he warned the Indians that while they "enjoy their rights and privileges, they should also remember that they have certain obligations" and that Burma should not be disturbed by purely Indian controversies.

When the Government of Burma Bill to extend Dyarchy to Burma was introduced in March 1921, Parliament was informed that there had been a disagreement between the Government of India and the Secretary of State on the question of

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[6] Speeches by Sir Reginald Craddock (1917-22), Superintendent, 1924; p. 250.

reforms for Burma. The Indian Government headed by Lord Chelmsford preferred the Craddock Scheme for Burma (which had received their earlier support but was later condemned by the Meston Committee in London), while the Secretary of State not only favoured the extension of Dyarchy, but also desired to recognise Burma's separate identity to meet the Burman sentiment on Separation. Said Lord Lytton, Under-Secretary of State for India in the House of Lords:[7]

> "There is a very strong feeling in Burma that this Bill in some way or other should mark the fact that Burma is geographically separate and distinct from India....We are anxious, if possible, to meet the Burmese sentiment on this point. And we shall ask the standing Joint Committee whether any means could be found for making the distinction which is required."

The Earl of Selborne, who was Chairman of the Joint Select Committee of both Houses of Parliament on the Government of India Bill in 1919 was more frank on this point. He said:

> "The impression that I received on that Select Committee of the two Houses of Parliament was quite definite. It was that Burma ought not to be part of the Indian System and made a Separate Government; that there is, in fact, no reason for making Burma a part of India than there is for making the Malaya States or East Africa or Ceylon part of it."

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[7]Parliamentary Debates, House of Lords, Vol. 44, 1921. p. 349-375. H.M's Stationery Office, 1921.

The legal technicalities later stood in the way of giving effect to the proposal; but the point is that the principle of Separation had been publicly recognised by the highest authority in London and that the India Government's support to the Craddock Scheme as opposed to Dyarchy had generated further hatred and ill-feelings in Burma against the Indians and their Government in New Delhi.

It had always been the policy of the Imperial Government to keep Burma aloof from India at a safe distance of over seven hundred miles by sea; the policy can be seen very clearly in their adamantine refusal to establish any form of overland communications between the two countries, particularly railways which was the special responsibility of the Central Government. As early as 1890, a proposal was made for the railway connection between the two rail-heads at Prome (central Burma) and Chittagong (Assam-Bengal Railways). During 1893-94, a preliminary survey was carried out and a detailed report and estimates were prepared by a team of railway experts headed by Mr. R. J. Woods. During 1895-96, further investigations were carried out and in 1897 Mr. Bagley, the then Chief Engineer of the Burma Railways and another railway expert Mr. Martin recommended railway connection between Prome and Chittagong through Taungup Pass (Arakan). Elaborate surveys and investigations were carried

out again during 1903-06 and two alternative routes were recommended for consideration by the Government of India, namely a 492 miles railway costing about Rs. 64.9 million (£48 million) or a 501 miles railway costing about Rs. 78.2 million (£57 million). The Government slept on these proposals until the German light cruiser "Emden" brought about deaths and destruction in the Bay of Bengal and the Indian Ocean in 1914-15. When the war-time shortage of shipping paralysed trade and passenger traffic between Burma and India, a feverish but fruitless attempt was made to revive the project;[8] but the proposal was dropped again at the end

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[8]A brief account of the proposal is given in the Proceedings of the Burma Legislative Council, Vol. II, 1923; Government Press, Rangoon 1923-24. p. 733-34. When U Tha Ban, a Burman Member of the Burma Legislative Council with almost prophetic accuracy told the Government in 1923 that it should on military and strategical grounds establish railway connection between Burma and India without waiting for another "Emden", the Government's reply was: "If Burma wishes this railway connection, Burma will have to guarantee to the Railway Board interest of 6% on the capital cost of construction plus any loss there may be on the working of the Railways." The Government's attitude remained unchanged until it was rudely shaken by the Japanese during World War II; the Government then suddenly realised the need for not one but three different routes but it was then too late and it failed to complete even one before the Japanese invaded Burma. No single mistake of the Government of India contributed so much to the ill-fate of the Imperial Forces in 1941-42 as this short-sighted and petty-minded approach to the question of land communications; the disorderly withdrawal of over half a million civilian and military personnel, their long march on foot through hills and jungles, followed by starvation, disease, deaths and destruction of properties, defy description and can be counted as one of the worst disasters of World War II - directly attibutable to this past blunder.

of World War I. In 1920-21 at the instance of the military authorities, a preliminary survey was made of the Hukong valley route to connect India and Burma by a northern railway between Myitkyina (Burma) and Dimapur (Assam), but the matter was not pursued further. Thus, all proposals to establish land communication between India and Burma during 1890-1921 failed - paving the way for Burma's total collapse during World War II.

Apart from the Imperial Government's deep concern to keep Burma at a safe distance from the political turmoil in India, the relationship between the Superior Civil Service Officers of Burma and those of India was never a happy one although all of them belonged to the same Secretary of State's Services. Differences of opinion frequently occurred on administrative and financial matters which required the sanction of the Government of India. The history of financial arrangements between India and Burma presents a sad story.[9] Under an old Provincial Settlement between the Imperial and Provincial Governments (which was emphatically applied to Burma when it became a minor province in 1897) the Provincial Government had no separate revenues of its own, its resources being derived partly from revenues under the heads classified

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[9]A detailed description of the Provincial Settlement (Financial) and its effect on Burma can be seen in the Memorandum submitted by the Government of Burma to the Simon Commission, Part VI - Meston Settlement. Report of the Simon Commission Vol. XI. H.M.'s Stationery Office. 1928.

as provincial, partly from a share of divided heads of revenue classified as Imperial or Central and partly from lump sum annual assignments from the Imperial or Central Government of India. Whether any particular item of receipts or expenditure was central or provincial or partly one and partly the other, depended upon the terms of the Provincial Settlement made by the Central Government . Burma was the newest province of the Indian Empire and its administration on modern lines may be said to have begun only from 1897. The state of development which the country had then reached was exceedingly backward. The local government found itself charged with the administration of a country, one half of which had emerged from indigenous misrule and the other half of which was scarcely more advanced. The staff was meagre and disorganised, the problem of law and order and the task of administration extremely difficult, office and residential buildings, equipment, roads and other forms of communications inadequate and impermanent. Burma was then far below the level of other Indian provinces in material and development. From this time until 1921-22 when the Provincial finance was separated from the Central finance under the Dyarchy, the Government of Burma made prolonged but ineffectual efforts to secure the means of development from the Government of India. The budgetary control was exercised by the Central

Government calling for the customary but often painful and fruitless discussions between the two Governments in which the voice of Delhi predominated. The process entailed hard bargaining, Burma often asking for more and getting less. This kind of horse-trading was an annual affair during the budget season (December, January and February), and every winter usually brought from Delhi cold showers of disappointment for Burma. For want of means, the country failed to keep pace with the demands for the means of development, while in the staff and other adjuncts of administration, Burma fell far behind other Indian provinces. Burma began late and always remained behind the race for progress and expansion.

Early in 1920, a committee under the presidemcy of Lord Meston was appointed to consider the whole question of Imperial and Provincial Finance in view of the changes consequent on the introduction of Dyarchical Scheme of political reform. The Committee recommended a separation of the Provincial finance and an allocation of revenues and expenditures between the Province and the Centre designed to give effect to the new responsibilities of the Provincial Government. The Committee's recommendations were accepted by the Secretary of State and the Joint Parliamentary Committee and given effect in 1921-22. This settlement, known as 'Meston award' did not improve matters for Burma. The Burma Government

protested in vain against the insufficiency of the allotment. Almost every year as before, Burma was falling behind the absolute minimum required for development and improvement in her administration; and as revenue deficits were being incurred every year and pleas for revision of the allocation were receiving little response from India, discontent among the officials and non-officials in Burma was mounting against the Government of India in particular and the Indians in general.

In addition to their administrative difficulties arising from the Provincial Settlement, senior officers in Burma also suffered from personal frustrations - assumed or real. A look at the Civil Lists of those days would seem to indicate that in matters[10] of promotion to high posts, officers serving in Burma recieved little consideration as most of the high offices went to their more fortunate compatriots in India who were closer to the Central Government. The Government of India which had to take care of all other Provincial as well as the over-riding Imperial needs, had possibly good reasons for their decisions in such matters; but these did not allay the fears of the Burma officers who

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[10] c.f. Burma Administration Report, 1931-32. p. 20. Government Press Rangoon, 1932. Of the 10 Lieutenant Governors and Governors of Burma appointed between 1897 and 1937(Separation), not less than 7 were selected from India without experience of previous service in Burma. No officer from Burma was appointed to be the Governor of an Indian Province, or a member of the Viceroy's Executive Council.

felt that they could never expect to be fairly treated by New Delhi unless and until Burma was separated from India. Most of the Senior Officers were always in favour of Separation.

In 1917-18, the movement of political opinion in Burma was only visible as an uncertain phenomenon on the distant horizon. By 1921 when it was finally decided to extend the Dyarchy to Burma and a Committee headed by Sir A. F. Whyte was appointed to work out the details in order to apply the Government of India Act 1919, the political movement in Burma was no longer distant but formed part of the daily occupation of Burmans. The predictions made by Chelmsford and Montagu five years before had been proved false by events. The political awakening of Burma was not only a fact of profound significance but it had come about with astonishing rapidity. The leadership of the political movement had been taken over by the G.C.B.A. extremeists and a new element represented by Wunthanu Athins, or militant political associations organised throughout Burma by the politically minded young Buddhist monks (Phongyis) who had great influence with the masses, had entered politics. The extremists were led by Rev. U Ottama, a Burman Buddhist monk who was formerly a student of Calcutta University and who

had travelled extensively in South and East Asia including Japan. He was well-known in India and Burma as the first Burman president of the Hindu Mahasabha (a semi-religious political organisation of Hindus and Buddhists) and as a popular leader of the extremist section of the Indian National Congress. The other prominent leader of the extremist movement in Burma was U Chit Hlaing, Barrister-at-law, a youhg intellectual, who was also a member of the Indian National Congress and who sacrificed his large personal fortune for the political movement. Both Rev. Ottama and U Chit Hlaing became very popular with the masses and both the leaders had adopted the Gandhian policies and tactics of the Indian National Congress to some extent. Because of their past association with the Indian National Congress and the methods adopted by them and their associates for purposes of political agitation in Burma, the official circles in Burma naturally believed that the extremist movement in Burma was Indian sponsored. But as pointed out by the Whyte Committee,[11] it was actually produced by the shock which Burman national pride suffered at the exclusion of the country from the Montagu-Chelmsford Reforms and the support given to the

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[11] Report of the Burma Reforms Committee, p. 5-6. H.M.'S Stationery Office, London 1922.

reactionary scheme of Sir Reginald during 1918-20. The movement gained momentum from the delay of about five years in introducing the reforms (1917-22). It would therefore be wrong to assume that the extremist movement in Burma was imported by Indians or that the leaders of strong determination and character like Rev. Ottama, U Chit Hlaing and their associates merely joined the Indian Congress chorus, acting as directed by the Congress. They were ardent Burma nationalists advocating Home Rule for Burma (a far cry from Dyarchy grudgingly and slowly extended to Burma) and they were no respecters of Indian vested interests in Burma. They would tolerate Indians only to the extent that served the national interests of Burma.

The Indians in Burma did not actually take much active part in the political movement of Burmans. During the initial stages of political agitation, a few Congress-minded Indians living in Burma gave their moral, if not material, support to Burmans. There were many reasons for it; events in India in those days were moving, unhappily, very fast - with many repressive measures adopted by the Government to suppress political agitation there. The Rowlatt Bill controversy (1918-19) and the tragic massacre at Jalianwala Bagh (Amritsar, Punjab) on April 13th 1919, created

a tremendous upheaval in India. The Indian National Congress under the leadership of Mahatma Gandhi started civil disobedience and non-cooperation movements in 1920. The National Congress at its Nagpur Session in 1920, endorsed the agitation for political reforms in Burma, which gave the impression that the two nationalist movements were working in concert with one another. The Government of Burma became extremely suspicious of Indian influence in Burma politics and police surveillance of Indian agitators began in 1918-19.[12] As observed earlier, Governor Craddock blamed Indians for participation in Burma politics[13] and alleged that the Burmese delegations to London were Indian-instigated. What actually happened was that at the mass meetings held by Burmans in towns and cities of Burma, Indians (a great majority of whom lived in urban areas as traders, businessmen or labourers) could be seen due to their existence in the locality. When subscriptions were raised for conducting the popular movement, Indian traders had to subscribe (if they wanted to do business in Burma). In Rangoon, the capital and hot-bed of Burma politics, Indians were both rich and

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[12] Report of the Administration of Burma; 1918-19. Rangoon Government Press, 1920. p. 40.

[13] Sir Reginald Craddock; The Dilemma in India; Constable & Co. London, 1929. p. 116-118.

numerous and the Indian presence in mass meetings could easily be seen by the Government particularly by police officials responsible for law and order. The local officials prejudiced by the events in India, naturally interpreted the Indian presence at such meetings as an extension of the Indian seditious movement to Burma. The fact is that the political movement in Burma was not created by Indians; it was a natural result of the wrong policy followed in the matter of constitutional reform for Burma. Indians nominally participated in the movement, because they had to; but it would be wrong to say that they conducted the movement or had any leading part in it. There were leaders of great popularity and quality among the Burmans, who needed no guidance, nor advice, from India or Indians, to conduct their own campaign.

The national awakening in Burma was the spontaneous and voluntary response of a proud nation which had lost its independence only a few decades ago and whose pride was wounded by the deliberate action of the ruling power. It is necessary to emphasise this, because anybody who reads the official documents of this period e.g. speeches of the Governors, administration reports and other official documents, gets the impression that the political agitation in

Burma was Indian-sponsored.[14] Nationalism need not be a product of infection or import from outside, it could grow from within the country. As a matter of fact, the nationalism in Burma assumed an anti-Indian character from the very beginning. The political movement started with the claim for Separation and as it grew in intensity, it became increasingly critical of Indians in Burma who were considered as no better than colonial collaborators. Barring a few Indians who were members of the Indian National Congress, the Indian community as a whole remained practically aloof from the main-stream of the Burman political movement. The Burmans did not want the Indians to join their movement, knowing full well that the Indians, along with other minorities, would be pressing for special representation and other safeguards for the protection of their own interests under the new constitution; and that the Whyte Committee and the British Government were sympathetic towards the minority claims, much against the wishes of the Burmans. The Indian community, by and large, was also too tied up with the Government and foreign industrial, trading and banking

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[14]Mr. Cady in his History of Modern Burma has apparently been influenced by such reports.

interests to act as freely as Burmans would desire them to. For instance, it was not possible for the large number of Indians in public services to be disloyal, nor was it possible for the Indian labour employed mostly in the organised industries controlled by foreign concerns to join political agitation. The moneyed class, merchants, traders and bankers mostly depending on export and import trades and financial assistance from foreign banks were too cautious or conservative to risk their fortune. In short, the Indians in Burma behaved like other minorities in the country and remained generally loyal to the Government. They knew that this was not liked by Burmans but they could not think of any better alternative.

The Whyte Committee which included four Europeans, two Burmans, a Karen and an Indian[15] completed their enquiry in 1922 and made several recommendations which, in matters of women's suffrage, voting age and transfer of subjects to popular control, involved the grant of wider concessions to Burma than those enjoyed by other Indian Provinces. Their recommendations were accepted by the Secretary of State. Two of the Committee's findings are very important for our

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[15]Sir A. F. Whyte, R. E. V. Arbuthnot, Sir F. McCarthy, S. A. Smyth, U Po Bye, U Myint, Sir San C, Po (Karen), Sir P.P. Ginwalla (Indian)

discussion.

First: the Committee's terms of reference included amongst other things this penultimate paragraph: "In view of the isolation of Burma from the rest of India the Committee may find it desirable to recommend a division of subjects between the Central and the Local (Burma) Government which would transfer certain subjects from the Central to the Local Government." The Committee's findings on this was as follows:[16]

> "We have found in the course of our enquiry that a strong and growing opinion prevails in Burma that the existing relations between the Government of India and the Government of Burma are not satisfactory. Owing to the isolation of the Province and its comparatively recent entry into the Indian Empire, it has not received that equitable consideration which it needs, its intrinsic importance and its remarkable potential powers would justify. The Local Government has recorded the opinion that the separation of Burma is inevitable and the penultimate paragraph of our terms of reference may be read as recognition of this view. We do not interpret the terms as empowering us to make any specific proposal, but the record of our enquiries in Burma would be incomplete if we did not draw the attention of the Government of India and the Secretary of State to this matter which is daily becoming more urgent."

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[16] Report of the Burma Reform Committee, 1921. H.M's Stationery Office, 1922. p. 16-19.

Second: the Whyte Committee found that the Indian community was in favour of communal representation. Sir P. P. Ginwalla, the Indian member of this committee, in a note attached to the Committee's Report said: "I feel that my community has put forward and in my opinion established on the evidence an overwhelming case for communal representation pure and simple." The Committee recommended special representation for Indian and other minorities. This was strongly opposed by all Burmans and the two Burman members of the Committee dubbed it as a "Divide and Rule" policy uncalled for in Burma. "All Burma including the G.C.B.A. with 500 branches all over the country is absolutely against Communal representation; it is the voice of the nation," they warned. It should be noted that when the Craddock Scheme was prepared in 1918, Indians did not ask for special communal representation; they were then willing to rely on the good will of the Burmans and were probably confident that they could secure adequate representation by seeking election through general constituencies. In the following four years, the political events had moved so fast that the Indian community in 1922 had to make an agonising reappraisal of its position. The leaders of the community Messrs. N. M. Cowasjee, S. R. S. Mani Iyer, P. C. S. Pillay, E. M. Patail and S. Vedamurti (all highly

responsible and successful persons in profession and business in Burma and representing both capital and labour) presented a memorandum[17] to the Whyte Committee which included this paragraph:

> "There was a time in the history of the politics of Burma when the Indian community regarded communal representation as unnecessary. Since that time, circumstances have materially altered and we feel strongly that the Indian representation should be based on the communal principle. In what respect the circumstances have altered, we do not consider it necessary to discuss as it is our intention to avoid recrimination or complaint. We contend that exceptional circumstances do in fact exist in the position of Indians to justify communal representation."

What was the reason for this change and why were the Indians who had made Burma their home for generations and had for over half a century contributed so greatly to the growth, development and wealth of the country, feeling so insecure or so afraid of the Burman majority? The fruits of Indian labour and enterprise could be seen everywhere and it would indeed be difficult then to conceive of a prosperous Burma without Indian capital and labour. The wealth earned by Indians had been very heavily invested in real estates and all kinds of fixed assets in Burma. It could

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[17] Report of the Burma Reforms Committee, 1922. Vo. II. p. 191-209. H.M.'s Stationery Office, 1922.

not be that the very large majority of landlords, industrialists and business concerns had erected their magnificent buildings and factories for temporary purposes. Nor could it be said that they were birds of passage with small interest in Burma. What were the exceptional circumstances which Mr. Cowasjee - the leader of the Rangoon Bar, Mr. Vedamurti - a leading journalist, Mr. Patail - a leading industrialist and other moderate Indian leaders had in mind when they claimed special safeguards for their community?

The fact was that, by 1922, anti-Indian feelings had become widespread; the oft-repeated policy of the Government of Burma to prepare the country for ultimate Separation from India, had taken firm roots in Burma politics; and 'Separation' and 'Self-Government' had become synonymous for a large section of Burma politicians. Now, the main plank of the Burman political platform was simultaneous Separation and Self-Government; but if both could not be had at once, Burmans would prefer to accept Separation first and fight for Self-Government next. As pointed out by Sir. E. G. Grantham[18] in his Census Report 1921-22, the cry for

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[18] Census Report Vol X. Burma, 1921. Part I. p. 224. Government Press, Rangoon, 1923.

Separation was first raised by the Europeans in Burma. The Burmans took it up almost from the first day of their political agitation for reforms in 1917, and thereafter clothed it with anti-Indian slogans. What alarmed the Indian community most was this local development of anti-Indian feelings. By 1922, Indians also saw that Separation was no longer the declared policy of the Government of Burma alone; it had the tacit approval of the Imperial Government in Delhi and London. As mentioned earlier, when the Government of Burma Bill 1921 for extension of Dyarchy was introduced in the House of Lords, the question of Separation was raised in the course of the debate. The Joint Select Committee pointed out that the division of subjects between "Central" and "Provincial" and between "Reserved" and "Transferred" would not increase and might probably somewhat diminish the difficulties of separating Burma from India.[19] In January 1922, U Po Bye, member for Burma in the Indian Council of State, moved a resolution in the Council for the appointment of a committee "to examine the question of Separation of Burma from the rest of the Indian Empire". The Government of India in reply admitted

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[19]Cited by the Government of Burma in its "Memo on Separation of Burma from British India" 1928. Government Press, Maymyo. 1928.

that Burma was "racially and geographically a distinct country from India" but pointed out that the resolution was premature since "a demand for Separation must follow" and not precede the extension of Dyarchy - the proposal for which was then under consideration in Parliament.

Confused and bewildered, the Indian community thought that their safety and security could be found in communal representation and other forms of safeguards claimed also by Europeans, Anglo-Indian and Karen minority communities. They were sadly mistaken. By 1922, they could clearly see the evil effects of communal representation[20] introduced in India since 1909, but these did not make them any wiser in the perplexing situation in which they found themselves in their chosen land.

Before the Dyarchy was finally extended to Burma on January 1st. 1923, the Burma Nationalists had resolved to turn their back on India, the Burman nationalism had taken a new direction, and the anti-Indian agitation had become the daily occupation of a section of nationalist press and

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[20]Introduced by Indian Councils Act, 1909, (Morley-Minto Reforms) supported by the Congress-Moslem League Pact at Lucknow 1916 and extended by the Government of India Act 1919 (Dyarchy). These have been ably discussed in "Indian Muslims - A Political History" by Ram Gopal and "Jinnah, Creator of Pakistan" by Hector Bolitho.

politicians. The union with India was never a happy one and the parting of the ways had already begun. It was no longer a question of whether Burma would be separated from India; the question really was when and how it could be painlessly effected without causing any damage to the Imperial defence and Empire trade and monetary arrangements.

CHAPTER VIII

INDIANS UNDER DYARCHY, 1923-1936

The first general election in Burma was held in November 1922, and the dyarchical constitution was formally introduced on January 1, 1923. In the Burma Legislative Council of 103 members, 24 were nominated by the Governor and 79 (about 77 per cent) were elected including 8 Indian representatives elected on a communal basis from the 8 Indian constituencies in five big cities of Burma, namely 4 representatives from Rangoon and one each from Akyab, Bassein, Moulmein and Mandalay. The number of Indian voters in these five cities totalled about 30,325 only or about 10 per cent[1] of the 300,000 Indians living in those cities or about 3% of the total Indian population of approximately one million in Burma. Thus only a very small number of Indians in Burma 'enjoyed the blessings' of communal representation; a great majority of them, living outside the five big cities, either remained unrepresented or were represented by Burman members returned from the general constituencies

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[1] Memorandum of the Government of Burma for the Statutory Commission, Part III. p. 4. Government Press, Maymyo. 1928.

in which the remainingg Indians lived and voted, if any of them were eligble for voting.

Dyarchy which attempted to divide a Government into two compartments, one reserved for the Governor and the other transferred to the Ministers appointed from the elected members, was a pernicious system and possibly, had no parallel outside India and Burma. It was impossible to divide a government into two halves and the real responsibility therefore remained with the Governor under the general supervision of the Governor-General of India. All important subjects like defence, external affairs, immigration, labour, public debts, customs, income tax, railways, post and telegraphs, shipping, insurance, monetary policies and, briefly, all that could be considered as affecting the existing rights of the minority communities were excluded from the jurisdiction of the Burma Legislative Council and the Burman Ministers. Indians in Burma were therefore supposed to be safe in the custody of the Governor and the Governor-General. The communal representation and the so-called safe-guards however, created a tendency to stereotype racial and religious differences and prevented cohesion of different classes; and Burma-Indians, being merged in the floating Indian population (with no permanent interest in Burma) for purposes of representation, came to be regarded

as foreigners by Burmans and other indigenous people of Burma.

Dyarchy, despite its many defects, was however a great step forward in political reform over the previous system of administration. As extended to Burma, it was also an improvement on the constitution given to such important provinces as Bengal, Bombay and Madras. A larger number of subjects (including more important ones) were transferred to the control of Ministers in Burma than in other Indian Provinces. For the first time in the history of Burma, an electorate of over two million was created almost overnight in a population of about 12 million, which was an enormous advance on other Provinces in India. For instance, the largest province of India, U.P., with a population of 44 million had an electorate of 400,000 only; other provinces also compared unfavourably with Burma in this respect.

It was only 35 years since Burma was fully conquered by the British; the political agitation in Burma began on a modest scale for the first time only in 1918 and did not assume any importance until the end of 1920; only two years of political agitation preceded the introduction of Dyarchy in Burma. It seems incredible, but it is a fact that Burmans got reforms much earlier and also less painfully than Indians who had been under the British for over a

hundred years and had carried on an organised agitation for about forty years before Dyarchy dawned in 1920.

But did Dyarchy satisfy Burmans? No: Lord Peel, the Secretary of State for India, in presenting his proposal for the extension of Dyarchy to Burma drew the attention of Parliament to the intensity of political agitation in Burma; he also referred to the great rapidity with which the political education and self-consciousness of Burmans had developed in recent years in order to justify his Government's decision to introduce a more liberal reform in Burma than in other Indian Provinces. Lord Sydenham (no friend of India or Burma) while opposing the proposal said:[2] "We have not done the one thing which the Burmese most want, and the one thing which perhaps would be the best for them - we have not separated Burma from India while there is yet time." He was correct; Dyarchy minus Separation (desired by the politically conscious Burmans) plus communal representation (despised by all Burmans) did not please any section of the Burmans and created enormous problems for the Indians in Burma.

Burmans lost no time in using Dyarchy as a stepping

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[2]House of Lords, Debates, vol. 51. June 1922. p. 86. H.M's Stationery Office, 1922.

stone for Separation. The Nationalist Party which included a majority of elected members of the Burma Legislative Council made it a forum for giving vent to their impatience. In 1924, U Pu, the leader of the Nationalists, moved a resolution[3] demanding new reforms which would clearly define the goal of Burma as Dominion status within the British Empire; would as a preliminary step transfer to the control of Burman Ministers responsible to the legislature, all subjects except foreign relations and defence, and would empower them to reconstitute and Burmanise all services in Burma. The resolution really meant that Burma should be separated from India; in the debate, U Ba Pe, the deputy leader of the Nationalists, said that Burma was suffering from "many disabilities due partly to the deliberate action of the Government of India or to the ignorance of Burma conditions by Indian politicians", that all sections of Burmans desired Separation and that even the G.C.B.A. (which boycotted Dyarchy) had in its Paungde Conference (1924) asked for Separation together with Home Rule because it feared that a separated Burma might otherwise be converted into a Crown Colony. The Nationalist resolution was passed by

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[3] Burma Legislative Council Proceedings, vol. II. 1924, Government Press, Rangoon 1924. p. 928-968.

the Council, all the elected Burman members of all parties in the Council unanimously voting in favour of it.

The demand for Separation was followed by measures[4] based on racial considerations. The Rangoon Development Trust Act imposed a terminal tax of Rs. 2 per head on all adult male passengers leaving Burma by sea; and the Act was amended in 1924 to increase the Burman representation on the board of the Trust without a corresponding increase for Indians who constituted a majority of the citizens of Rangoon. Similarly, the Rangoon Port Trust (Amendment) Act, 1925 was passed to increase the Burman representation on the board of the Rangoon Port Trust. The Burmanisation of all services became the object of several resolutions in the Council in 1924-25 and a motion by an Indian member asking for a small quota for the domiciled Indians was lost. One of the Nationalist members made it clear "Burma wants no Indians either cheap or dear". A number of resolutions by Indian members for the amelioration of the conditions of Indian labour, received little response from the Government or Nationalist benches during 1923-25.

A bill was introduced in 1925 to impose a tax of rupees

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[4] Proceedings of the Burma Legislative Council; Vols. I, II, and III. 1923-25. Government Press, Rangoon, 1923-25

five per head on persons entering Burma by sea. This Sea Passengers' Tax Bill was clearly directed against Indian immigration, though the official explanation was that it was a revenue measure to tax Indian labourers who frequently moved from one place to another to evade payment of local taxes. The Burman members supported the Bill on the grounds of justice to Burma, and the country's right to tax those who came to Burma to earn their livelihood.[5] The Indian opposition (which received support from the British commercial community) ranged from criticism to questioning the rights of the Legislative Council. Mr. Narayana Rao, an Indian economist representing the Indian labour, emphatically challenged the constitutional authority of Burma to interfere with immigration of "British Indians" to Burma. Mr. J. K. Munshi and Mr. M. M. Rafi, both distinguished Barristers-at-Law, (representing the Indian community of Rangoon and Moulmein respectively) said that the true aim of the Bill was the exclusion of Indian immigrants from Burma. The Bill was passed by the Council but was subsequently vetoed by the Governor-General in exercise of his discretionary power. Burmans criticised the action of the Governor-General.

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[5] The Proceedings of the Burma Legislative Council, vol.III 1925, Rangoon Government Printing. 1925. p. 416-441.

Another controversial bill introduced in the Council in 1925, was the Expulsion of Offenders' Bill which sought to authorise the expulsion from Burma of non-Burmans who had been convicted of criminal offences or ordered to furnish security for good behaviour. This was directed against Indian Political suspects who were supposed to be introducing extremism in Burman politics. The proposed legislation would facilitate the expulsion of any Indian politically involved in Burma; it appeared to be the thin end of the wedge of political Separation of Burma from India.[6] Mohamed Azam, a leading Barrister-at-Law representing Rangoon Indians in the Council, called it a highly discriminatory measure. The Labour leader Narayana Rao again reminded the House that Burma as a province of India had no power to enact such legislation. In supporting the measure, U Ba Pe, the leader of the Nationalists, said: "...if a man comes to Burma to make Burma his home, to sink or swim with the Burmese people, he is welcome; otherwise there is no business for him to be here". This was the usual attitude of all Nationalists, but this kind of "welcome" accompanied

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[6] Proceedings of the Legislative Council, Vol. III. 1925. Rangoon Government Press, p. 57-69.

by threats was hardly sincere; the Nationalists spared no pains in creating the impression that the Indians were an unwelcome minority and the Nationalist leader claimed that "the salvation of Burma lay in her Separation from India." [7] The Bill was passed, but at the instance of the Governor-General again, some of its objectionable features were removed when it became law.

The first Legislative Council (1922-25) under Dyarchy thus ended in December 1925, after creating a sharp cleavage between the Burma-Indians and Burmans. In the second General Election held towards the end of 1925, the Nationalist Party again gained a majority of elected seats in the Council. The Second Legislative Council (1925-28) continued to be equally critical of Indian connections, particularly in view of Burma's unsatisfactory financial condition. As mentioned earlier, the Meston Settlement which divided the revenues between the Central Government and the Provincial Government did not improve the finances of Burma. In fact, with the new burdens imposed by Dyarchy, the financial position of Burma began to deteriorate; at the same time, the central Government's revenues showed progressive

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[7] Proceedings of the Legislative Council, vol. III. 1925 Rangoon Government Press, p. 57-69.

improvement in Burma as will be seen from the following table:[8]

Table 1.

	Figures for Central Revenue collected in Burma and the Central Expenditure incurred in Burma in millions of Rupees		Figures for the Provincial Revenue collected in Burma and the Provincial Expenditure incurred in Burma in millions of Rupees	
	Central Revenues	Central Expenditures	Provincial Revenues	Provincial Expenditures
1922-23	82.5	13.5	89.5	111.1
1923-24	81.0	13.3	88.4	94.8
1924-25	86.6	13.6	102.3	104.8
1925-26	93.1	14.6	106.5	112.5
1926-27	97.6	14.8	105.6	119.2
1927-28	97.2	15.6	119.2	122.0

The essence of the Meston Settlement was as follows:

1. The revenues from custom duties, taxes on income, salt and opium were allocated to the centre; most of the remaining items of revenue were made Provincial;

2. The Provincial Government was required to pay a contribution of Rs. 6.4 million to the Central Government;

3. The Provincial Government was made wholly responsible for its own expenditure on Provincial subjects including the expenditure in England on its behalf;

4. The Province became responsible for all the leave and pensionary charges incurred on account of its officers (including those payable in England);

5. There would be no assignment from the Central Government for education, sanitation or other development expenditures;

6. The Provincial Government was empowered to raise loans

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[8] Annual Reports on the Administration of Burma, 1922-23 to 1927-28, Government Press, Rangoon.

in the open market for certain defined purposes with the approval of the Central Government.[9]

It was not that the Meston Settlement was intentionally injurious or unfair to Burma. Each unit of the Indian Empire had to share the burden of the Imperial centre according to its economic strength as assessed by an impartial committee. Provincial politicians were not always aware of the various international and national obligations of the Imperial Government (including defence, debt services and external credit, to mention only a few) and in the case of Burma these were not visible until after Separation. Burma certainly needed more capital for development, but it had also attracted a great amount of private capital within a very short time for that purpose and more was forthcoming; it was not the only Province which needed more capital, nor was it the only one which protested against the Meston Award. The fact of the matter was that every Province wanted more from the central cake, and in the scramble, the picture given in Table 1 attracted the greatest attention of Burma; she was carried away with the feeling that while producing substantial revenue for the Central Government of India, she was living only from hand to mouth

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[9] Report on the Administration of Burma, 1921-22. p. 127-128. Government Press, Rangoon, 1922.

so far as her own finances were concerned.

As the clamour for more funds was raised in the Council and the Government expressed its inability to meet them from the Provincial revenues, discontent against Indians in general and the Indian Government in particular began to mount. Funds were claimed from the centre on the grounds that the incidence of central taxation was heavier in Burma than in other Provinces, the ratio of Central expenditure to Central revenues was smaller and the Central revenues were increasing faster in Burma than in the rest of India. The fiscal policy of India designed to give protection to Indian steel, cotton textiles and other industries came under attack as Burma had no such industries. The excise duty on Burma rice which earned a Central revenue of about Rs. 10 million annually, and the Central excise levied on Burma kerosene and petrol yielding about Rs. 15 million revenue for the Central Government, were claimed for allocation to Burma.[10] All sections of Burmans in the Council joined in their protest that a revenue of about Rs. 25 million on rice, kerosene and petrol produced in Burma should go out to fill the coffers of the Government

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[10] Proceedings of the Burma Legislative Council, Vol. IV 1925-26; vol. V. 1926-27. Government Press, Rangoon.

of India; a resolution was passed urging the Government of India to exempt Burma from the contribution payable under the Meston Settlement; another resolution was passed asking for an annual grant of Rs. 10 million for capital expenditure in Burma.

In all these matters, the attitude of the Government of Burma was generally sympathetic towards Burmans and the Government made due representation to the Government of India as requested by the Burman members of the Legislative Council. The Government of India earned a profit of Rs. 91.7 million from 'Rice Control' introduced in 1919-20 to prevent speculative transactions or manipulations in the prices of Burma rice due to the post-war shortage of rice in world markets; the entire amount was allocated to Burma as a result of representations by the Government of Burma. The Government of India also gradually eliminated the annual contribution of Rs. 6.4 million payable by Burma under the Meston award, and made some lump sum grants for Capital Expenditure. Burma gained over Rs. 100 million from these concessions made by the Government of India outside the Meston award. It is not possible to say whether the Central Government could have done any better, but whatever they did would hardly satisfy Burma politically. But for these concessions, Burma would have very little

money for capital expenditure and when the rice control profits had been spent by 1926-27, no revenue surplus was forthcoming to finance further development.

The agitation for the allocation of central excise duties on rice, kerosene and petrol therefore continued. Briefly, the views of the Government of India were that the duty on rice, which was very low (about four pence per 82 pounds of rice), had been in existence and remained unchanged since 1867 and did not affect the Burman consumer (mainly Indians in India were the largest consumers of Burma rice outside Burma). Similarly, the excise duty on kerosene and petrol was a pure tax on consumption and was very similar in nature to salt duty imposed on salt produced by private producers in other Indian Provinces. It would therefore be illogical to allocate such central duties to a particular Province. None of these arguments was considered satisfactory by Burmans who alleged that Burma had been treated "as the milch cow for the Indian Empire".[11]

A resolution was moved in the Burma Legislative Council for the appointment of an expert committee, to enquire into

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[11] Burma Legislative Council Proceedings, vol. IV. 1925-26. and vol. V. 1926-27.: p. 56-71 and p. 101-113 respectively. Government Press, Rangoon.

and report on the financial relations between India and Burma. In the course of the debate,[12] the Honourable Finance Member, Sir William Keith pointed out that according to a provisional calculation made by an Accountant General for Burma (Mr. Atkinson) in 1911, Burma owed India something like Rs. 600 million and that the late Mr. Gokhale (leader of the Liberal section of the Indian National Congress and a man of great experience in matters of public finance) speaking on the subject in the Imperial Council in 1912 had said "Burma was indebted to the tune of about Rs. 602 million or Rs. 60 to 70 million more than the total unproductive debt of India; if Burma was not with us [India] we should have no unproductive debt today". Sir William's speech only embittered the feelings of Burmans who challenged the figures which apparently included the costs of Anglo-Burman Wars financed from the Indian Exchequer. The fact was that the Imperial Government of India had accumulated a large amount of unproductive debts arising from the numerous transactions effected during India'a century old union with Burma and (irrespective of what was

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[12] Proceedings of the Burma Legislative Council, vol. IV p. 74-78. 1926. Government Press, Rangoon, 1926.

said or done in the past) the debt obligations would have to be discharged. But Burma desired to be excused from such obligations.

In the February session of the Council in 1927, a resolution moved by U Po Hla, a Burman member, for the application of the Burmese Buddhist Law (Dhamathat) to marriages between Burman women and foreigners (mainly Indians), provided an opportunity for fresh expression of Burman sentiment on Indian problems. The Nationalists claimed that in the time of their kings - Mindon and Thibaw, foreigners were at liberty to marry Burman women provided the marriages were governed by Dhamathat and not by personal laws of the foreigners; the position was different under the British; now a marriage with a Hindu was not valid because a caste Hindu could not marry outside his caste; a marriage with a Moslem could not be legally effected unless the Burman Buddhist women became a moslem convert; even after such conversion, the Moslem husband retained the right to marry as many as four wives and he had only to pronounce the word "Talak" three times if he desired to divorce his Burman wife or any other wife. Such marriages were disliked by Burman Buddhists as the offspring often adopted other faiths and some of the marriages certainly created problems relating to inheritance; but despite the legal difficulties (which were

removed at a much later date) there had been numerous happy and lasting marriages between Indians and Burmans, and divorces or desertions were extremely few. The Indo-Burmans - whom the Burmans called 'Zerbadis' - were certainly not poor. In fact, the Zerbadi community, mostly Moslem, was a prosperous community and included many intellectual and nationalist Burmans who distinguished themselves in trade, industry, the professions and Government Services. Certainly they or the Indians who had married Burmans did not deserve such inflammatory and communal outbursts in the Council from Nationalists:[13] "Besides taking our Country and our property, they [Indians] take our sisters. The Burmese nation will become extinct. What use will Home Rule be to us if it is given by the English when the Burmese nation has become half-caste by gradual extinction." The fact was that Indo-Burmans numbered only 122,705 at the 1931 Census (after over one hundred years of Indo-Burman unions) in a total population of 15 million in Burma. Sir Arthur Eggar, the Advocate General and the Head of the Law School of Rangoon University, who was a great friend of Burma, advised the nationalist members (some of whom had

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[13] Burma Legislative Council Proceedings, vol. VII. 1927. p. 146-162. U Pu (Toungoo South)

been his students in the past) that the best remedy was to "educate Burmese women of the ills of such marriages; resolutions or legislation could hardly be effective."

Amidst these mounting tensions and criticisms in the Burma Legislative Council, Sir Harcourt Butler in his farewell address[14] as Governor reminded the Council in December, 1927 that due to the combined efforts of Burmans and non-Burmans, Burma had become prosperous, that Rangoon had become the second port in the Indian Empire; having overtaken Calcutta in both the registered tonnage and the number of ships entering Rangoon, and that the "Exports of rice had reached the record figure of 3,310,834 tons in the previous season". In this connection he praised particularly the Indian Chettyar community for its great role in the development of agriculture which brought about this unprecedented prosperity in Burma. He said:

> "The Chettyar community finance agriculture in the Province to the extent of approximately Rs. 40,000,000 season by season, at rates appreciably lower than 15 or 20 years ago. The cultivators while paying off their agricultural loans, season by season, well up to time, are now able to hold up a proportion of this paddy in expectation of better price to

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[14] Burma Legislative Council Proceedings, vol. X. p. 51. 1927-28. Government Press, Rangoon, 1928.

"an extent that would have seemed impossible a few years ago".[15]

Sir Charles Innes succeeded Sir Harcourt Butler as Governor of Burma in January, 1928. As an Indian Civil Service Officer, he was not very popular in India; his appointment therefore created some uneasiness in the minds of Burma-Indians; and he lost no time in making his position clear. In his first convocation speech as the Chancellor of Rangoon University, he said:

> "Burma is a comparatively small land wedged in between the two great countries of India and China. It has a comparatively small population. Everywhere one goes, one finds evidence of the peaceful penetration of the industrious Chinaman and the no less industrious Indian, and inevitably one is forced to speculate on the future of Burma. Will the Burmans be able to maintain their individuality as a nation and the distinctive character of their civilization? Or will they, as time rolls on, slowly but surely be submerged by the teaming millions to the East and to the West? Every Englishman who has served in Burma will say 'God Forbid'. But it rests with the young men and women of Burma to answer the question and I hope and believe that the University will help them to find the right answer".[16]

The appointment of the Indian Statutory Commission

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[15] Burma Legislative Council Proceedings, vol. X. p. 51. 1927-28. Government Press, Rangoon, 1928.

[16] Mehta; M. D. Burma Government Crusade against Indians. Bombay. Professional Printing Press, 1929.
also Indian Legislative Assembly Debates, vol. III. 1929.

(Simon Commission) by the British Parliament somewhat previously with a view to examining the extent of changes needed in the constitution of India and Burma, had already created considerable excitement in all political circles. The third General Election for the Burma Legislative Council would be held within a few months in the autumn of 1928. The Simon Commission was to arrive in Burma in January, 1929, after the General Election. At this critical period and in the tense political atmosphere then prevailing in the country, Sir Charles' speech acted as a great tonic and provided a direct inspiration to all leaning towards Separation.

In the third General Election held in November, 1928, the Nationalist Party which was separationist, again secured the largest number of elected seats; they won 40 out of 59 general constituency seats and 5 more elected members of a splinter group (National Parliamentary Party) joined the Nationalist Party after the election. The Nationalists therefore expected to form the Ministry, but the Governor appointed the Ministers from a minor Independent Party, a more pro-Government moderate section which won only 12 seats at the General Election. The Nationalists could not displace the Ministers who were supported in the Council by a coalition of Independents, nominated official and

non-officials and minority representatives including Indian members. It was not possible for the Indians to vote against a Ministry which was otherwise stable, but their votes provided the marginal support to the Ministers in driving the majority Nationalist Party to the opposition camp. It naturally made the Nationalists all the more bitter towards the Indians.

The Simon Commission visited Burma in January, 1929. The new Council elected a Burma Committee of seven membens to sit with the Commission. This Committee included three Burmans (none of whom belonged to the Nationalist Party, the largest group in the Council) and four representatives of minority groups: an Indian (M. M. Rafi), an Indo-Burman (E. Eusoof), a Karen (Sra Shwe Ba) and an Anglo-Burman (M. Campagnac). The Nationalist Party refused to cooperate with the Commission; the G.C.B.A. having previously boycotted the election and the Commission, the isolation of the Simon Commission and their seven Burma associates from the main current of Burma politics was complete. None of the representatives of the major political parties in Burma appeared before the Commission to voice their aspirations or to give the benefit of their experience.

The minority representatives who dominated the Burma Committee pressed their claims vigorously for communal

representation and special safeguards against any discriminatory treatment by Burmans. Their apparent success was perhaps beyond their expectations; for they got all the support they needed from the Commission. Looking back at this date, it appears so ridiculous and so short-sighted that such paper gurantees should be acclaimed by the then enlightened leaders of minority communities whose real safety and security depended on the goodwill of Burmans who constituted over 80% of the population of Burma. While fear and distrust dominated the minds of the minorities, there was also no statesmanship or generous gesture from the majority to restore confidence. Burman members of the Legislative Council disliked the minority representatives who usually voted with the Government in power. Timidity, nervousness and excessive dependence on the Imperial Government on one side were met with aggressive nationalism, rudeness and occasional violence from the other. Mutual trust, confidence, and frankness were conspicuously absent.

While the Simon Commission was still in Burma, Sir Charles Innes, the Governor took pains to educate the Burmans. He said[17] in his address to the new Legislative Council on

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[17] Burma Legislative Council Proceedings, vol. XIV. 1929 p. 5.

February 14, 1929:

> "The Burden of central taxation was heavy on Burma...Under the present system the Central Government takes so much from that reservoir that not enough is left for our own pressing needs;..the expanding heads of revenue are for the most part reserved to the Central Government ....Some of you may think that the solution of the difficulty, I have referred to lies in the Separation of Burma from India. Others may think that the answer is to be found in a readjustment of our financial relations with the Central Government."

He urged that, whatever be the views, it would have been of enormous value if "We had all united to press our claims". The Nationalists were not slow in responding to Sir Charles' clarion call. In the Budget discussions following His Excellency's address, the Nationalists raised fresh battle cries;[18] it was alleged that the Indian fiscal policy and monetary and financial arrangements were unfair to Burma; the transfer of Burma Railways from Company management to Central Government was bad, the Steel Protection Act only benefited the Indian Tatas, export duties on rice, hides and skins were injurious to Burma agriculturists, and so on. The Nationalists claimed that Burma was being "bled financially" by India. U Ba Pe, the leader of the Nationalists, who had been agitating for Separation

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[18] Burma Legislative Council Proceedings, vol. XIV. p. 65 et seq. 1929.

for a long time came up with an adjournment motion in the Legislative Council on February 18, 1929. The substance of his motion was Separation first, and Dominion Rule next. He said "If we want separate treatment, special treatment, specific consideration, we must break away from India.... If we are to get Dominion Home Rule, we must first separate from India and ask for Dominion Status ourselves." Another Nationalist member,, U Kun, said "if we are to remain longer with India, in about a quarter of a century, there will be no Burman worthy of the name of the race. Indians have come into all corners and colonised themselves, have taken Burman wives and the race is impaired".

The Indian attitude was summarised by S. A. S. Tayabji an Indian member of the Council, who said "I had the honour of moving a resolution in the Indian National Congress (1928) which stated that so far as the question of Separation was concerned, "it was a question which Burma itself ought to decide and Indians would loyally abide by that decision". The Indian National Congress and all other major political parties in India had generally adopted the line that the question of Separation was one for Burma to decide. The All-Parties Conference in India in 1928, convened for purposes of drawing up an outline of Constitution

for India, also accepted this in principle. The adjournment motion for Separation intorduced by the leader of the Nationalists was carried by the Burma Legislative Council on February 18, 1929[19] with the support of all sections of Burmans in the Council; however some of the Burman members headed by Tharrawaddy U Pu made it clear that they wanted Separation with Home Rule, and not without Home Rule.

Mahatma Gahdhi paid a visit to Burma in March, 1929 mainly to collect money for his Khaddar Scheme (hand spinning and weaving). Maulana Mohamed Ali a prominent Moslem leader of India also visited Burma in 1929 to collect money for the Moslem National University, Delhi. They confirmed India's desire that Separation should be a matter for Burmans to decide and they were very discreet in their utterances in Burma. Both the leaders were well received by Burmans and Indians but their visits did not improve the ralationship between the two communities which was deteriorating. Early in 1930, Mr. J. M. Sengupta, a prominent Congress leader and Mayor of Calcutta also visited Rangoon and received a friendly reception from Indians and Burmans; he made three speeches against Separation strongly

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[19] Burma Legislative Council Proceedings, vol. XIV 1929. p. 184-194.

criticising Governor Innes for actively supporting Separation. He was arrested at his home in Calcutta, brought back to Rangoon on charges of sedition, publicly tried and sentenced. His arrest and conviction only demonstrated that even one of the most popular and highly respected Indian leaders could be publicly insulted for preaching against Separation in Burma.[20]

The idea of Separation aroused considerable apprehension in the minds of all Indians in Burma especially the Indian business classes and Chettyars who were badly hurt by the depression: Indians in Rangoon and elsewhere formed an[21] Indian Association in 1929-30 to safeguard the interests of Indians in Burma; but owing to divergence of opinion among the promoters, nothing came of it. The Association, though it continued to exist, and held meetings from time to time, never received any recognition from anybody as representing the views of Indians in Burma.

The Simon Commission, to the surprise of no-one, discovered that Burma was an entirely different country

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[20]Sengupta was given 10 days' simple imprisonment on technical grounds and the trial is described by Maurice Collis in his interesting book Trials in Burma which contains valuable information on Burma. Penguin Books, 1938.

[21]Government of Burma Administration Report, 1929-30 Government Press. Rangoon 1930.

from India and that the Burman customs, manners and way of life were entirely different from those of Indians. It recommended[22] that "Separation should be effected forthwith" and that "a declaration to that effect should be made as early as possible". The Commission referred to the Nationalists' motion in the Council and said: "among thinking Burmans the great majority desire Separation immediately". As to the various objections raised on military, financial and economic grounds, the Commission's conclusions briefly were:

(a) "arguments based on military strategy should not control the situation", since "due co-ordination of military plan and effort is possible due to common allegiance to the same Crown" and "Burma may continue to place reliance upon the existence of the Army in India";

(b) financially Separation could be effected in such a way as "to leave Burma with adequate resources for her present needs and a balance for development purposes" without causing any financial injury to India;

(c) the economic consequences should not also stand in the way as suitable trade and immigration arrangements were possible between India and Burma.

Having dismissed the military, financial and economic objections raised against Separation, the Commission however excused itself from making any recommendations on the

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[22] Report of the Statutory Commission for India, vol. II p. 181-192. H. M's Stationery Office, 1930.

constitutional status of a separated Burma - a point on which all Burmans, both Separationists and anti-Separationists, were holding their breath.

The opinions of (constitutional and economic) experts in India were slow to approve Separation from so near a neighbour after such a long association until its necessity had been unquestionably demonstrated; the Indian Central Committee, including a number of eminent Indian liberal leaders appointed to assist the Simon Commission, had advised against immediate Separation until the military, financial and economic implications had been thoroughly examined; the majority of the Indian members had no objection to Separation if it was found feasible, and Burma still desired it, after such further enquiry. The Commission did not accept their advice. The Burma-Indians had no doubts in their minds that a section of Burmans desired Separation at any cost and would certainly have it since it had received the emphatic support of the Governor and the Simon Commission; but they were wrong in joining hands with other minority communities of Burma for special protection, safeguards or communal representations; they knew that these were playing havoc in India where the question of minority rights had left the conference table for settlement on the streets and alleys of India. Burmans

were therefore probably laughing up their sleeves when the Commission recommended that the new "Constitution for Burma should make due provision for the protection of the legitimate interests of Indians domiciled in Burma".[23] The Burma-Indians had their first taste of "protection" within a few months. For the first time in the history of British Burma, organised violence on an unprecedented scale occurred in Rangoon, the seat of the Government of Burma, which proved how unsafe could be the lives and properties of Indians in Burma and how ineffective could be a Government in giving any protection to a minority, which had lost the good will of the majority.

About 5,000 Indian labourers,[24] employed mostly by the British firms of stevedores to stow and unload cargo at Rangoon Port, struck for better wages on May 8, 1930. The stevedores brought in Burman labourers, probably on a temporary basis, to break the strike. As a rule, Burmans were not previously employed for stevedores as they were disinclined for that kind of work. Naturally they were not found very satisfactory and when the Port became congested

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[23] The Report of the Statutory Commission, vol. II. p. 188. H.M.'s Stationery Office, 1930.

[24] Maurice Collis who was then District Magistrate, Rangoon gives an account of this riot in Trials in Burma, Penguin Books, 1938.

with ships awaiting the clearance of cargo, the stevedores reached a settlement on May 25th with the Indian labourers who were recalled on payment of a slight increase of four annas (about four pence) per head in their daily wages. When the Indians returned to work, the stevedores summarily dismissed the Burman strike-breakers on May 26th. Enraged and humiliated, armed gangs of Burmans with swords and iron bars, considerably reinforced by fresh arrivals from other districts, ran loose all over Rangoon killing hundreds of Indians and wounding thousands. Properties worth over one million rupees were destroyed. The carnage lasted for about three days. Sir Charles Innes and his principal advisers had gone on a summer exodus to the Hill Station of Maymyo, the summer capital of Burma about one day's journey by train from Rangoon. The police force in Rangoon under the British Commissioner Mr. Merrikin, proved ineffective and had no control over the situation. The Burmans were in a wild mood and there was no Government; all business was suspended, all public services, including the sanitary services, were paralysed; and the city was rotting in filth for more than a week. Most of the Indian population barricaded themselves in their houses and some found shelter in the lunatic asylum. The British Regiment (Cameron Highlanders), stationed in Rangoon at the time, was not called to assist

the local police until after the third day of the massacre when Sir Charles arrived from Maymyo. The hooligans ceased to roam the streets in murderous bands in pursuit of Indians when they saw that the Cameron Highlanders were planting their machine-guns in the city making it unsafe for anyone to indulge in killing and looting. The city administration was restored with military assistance within a week; but violence got a new lease of life in Burma politics. No one was sent up for trial for murder or destruction of properties. The hundreds of murders and thousands of grievous hurts went unpunished. Even the eye-witnesses would not dare to come forward to give evidence against well-known murderers fearing fresh violence. A wishy-washy enquiry was held by the Government; the massacre was called "a riot" and all witnesses at the enquiry were careful not to enlarge upon the atrocities committed in Rangoon. No compensation was paid to anyone for loss of life, limb or property.[25] Indian members of the Legislative Council remained discreetly silent for fear of reprisal or recurrence of the troubles.

Sir Charles Innes in his address to the Legislative Council on August 5, 1930 requested Burmans to express their

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[25] Narayana Rao; Indian Labour in Burma. Keshari Printing Works, Madras, 1933. p. 185.
and Collis, Maurice; Trials in Burma. Penguin Books, 1938 Chapter V. p. 135-156.

views again on Separation as recommended by the Simon Commission, assuring them at the same time that the constitutional advance for Burma, if separated, would be no less generous than might be accorded to British India and that in a separated Burma, greater would be the financial resources and larger the opportunities of promoting the interests of the people of Burma. His address contained the following ironic consolation for Indians whom his Government had utterly failed to protect only a few months ago:[26] "I do not believe that any peaceful law-abiding Indian citizen need look forward to future with any apprehension".

In August, 1930 the Legislative Council passed three resolutions moved by the Nationalists which thanked the Simon Commission, urged His Majesty's Government to make an early declaration on Separation and also to appoint at the same time a Royal Commission to frame a new Constitution for Burma granting her Dominion Status. The "Indian menace" figured prominently again in the debate and fresh alarm was sounded. "Unless we are separated now, we are sure to be swamped"[27] said U Ba Pe, the leader of the

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[26] Burma Legislative Council Proceedings, vol. XVIII 1930. p. 1-7.

[27] ibid. vol. XVIII. 1930. P. 280-314.

Nationalists. When Mr. M. M. Rafi, an Indian member retorted that the Burman race and the Burman nation were not identical - the nation being made up of various races living in Burma, U Tun Win, one of the Nationalists replied that a Burma national was one who would dress himself as a Burman, adopt a Burmese name and would vote from a general constituency. "We will be glad if you come to this side of the House and put on a goung boung and paso (Burman dress) and call yourself Maung Ni. We will receive you with open arms". He was voicing the feelings and aspirations of his party: it was not good enough for an Indian to be a law-abiding citizen only; he should also hide his Indian identity to be acceptable as a Burma National.

While the political tempo was quickening, economic depression and organised crimes were spreading in the countryside which was seething with discontent due to the catastrophic fall in the prices of rice paddy and other local products. Around the Christmas of 1930, an armed rising under the leadership of Saya San, known as the Burma Rebellion, spread over a large part of Burma including Tharrawaddy, Pegu, Henzada, Insein and Prome districts and Shan States in Upper Burma. It took over a year to suppress the rebellion and Indian soldiers and arms provided by the

Central Government were extensively used against the rebels.

A direct result of this rebellion was a further outbreak of communal outrages against the Indians. An additional reason was the large scale transfer of rice lands to Chettyars, through foreclosures, for non-payment of debts by Burman agriculturists during the depression - a subject which we have mentioned in an earlier chapter on Indian Chettyars. There were numerous assaults on Indians and the burning of their huts or places of business in the districts. An Indian deputation including Mr. R. G. Iyangar and S. N. Haji, Indian members of the Legislative Council and others saw the Viceroy in New Delhi on June 1, 1931 and said:[28]

> "The present position of Indians in Burma is entirely unsatisfactory and insecure....In the massacre which took place in May last year in Rangoon, the Indians did not receive the protection to which they were legitimately entitled. The carnage lasted for three days ...not a single assailant was arrested for assaults on Indians...The conduct of the police was criticised even by the official enquiry committee...A certain section of the Press has been indulging in anti-Indian propaganda couched in the most insulting language...The recent outrages against the Indian agriculturists in several districts of

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[28] Narayana Rao: Indian Labour in Burma, 1933. Madras Keshari Printing Works; p. 201-209.

> "Burma are the direct result of the belief created among the Burmans by the massacre (in Rangoon, May 1930) that Indians could be maltreated with impunity...Indian agriculturists have not only suffered heavy monetary losses, but there have been cases of Indians being killed or wounded."

What were the responses of the Viceroy and the Governor Sir Charles Innes? The Governor discovered that it was the Bengal (India) Revolutionary Party which was partly responsible for the trouble in Burma. On his advice, the Viceroy promulgated an Ordinance giving drastic powers to the local authorities to deal with the revolutionaries. In his address to the Legislative Council on February 12, 1931, Sir Charles said:[29]

> "There is no reasonable doubt that the [Burma] rebellion was due to political rather than to economic causes and that the main appeal of those who organised it was to the ignorance and credulity of the peasants...His Excellency the Governor-General at our instance has recently promulgated an Ordinance arming us with powers to deal with the activities of the Bengal Revolutionary Party in Burma and among the business which will come before the Council is to convert the Ordinance into law."

He emphasised that the Bengal Revolutionaries "have set themselves to the task of trying to corrupt the younger generation in Burma" and that strong measures were needed

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[29] Burma Legislative Council Proceedings, vol. XIX. 1931. p. 5-6.

to prevent the younger generation in Burma from being "infested with those sinister doctrines". "It is entirely foreign to the nature of Burmans to commit outrages of the kind" said the Governor. The Rangoon massacre of May 1930, perpetrated in broad daylight had taught him nothing.

The Burma Criminal Law Amendment Bill, 1931, was introduced in the Legislative Council in February 1931, to convert the Ordinance into Law. In the course of the debate the Honourable Home Member paid the following deserved and undeserved compliments to the Bengal Revolutionaries:

> "Now if you take the map of India, you will see that Bengal is the head of India...The Bengalis are efficient people and very highly intellectual. They are a mild-mannered people and well disposed as a rule...Bengal has given us Rabindranath Tagore, Jagdis Bose, Vivekananda, Ram Mohan Roy, Rash Behary Ghose and many other distinguished people in different professions....but some Bengalis have a kink in their brain, that is, they desire to remove all persons who do not see eye to eye with them."[30]

He concluded that the Bengal Revolutionaries had spread themselves over Burma and were trying to dominate the minds of younger Burmans. The Bill was intended to eliminate "the danger of the association which would poison the

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[30] Burma Legislative Council Proceedings, vol. XIX. 1931 p. 140-141. Government Press, 1931.

"minds of the Burmans". The Ordinance became a law against the combined opposition of Indian members and some Burman members of the Council who did not believe that the Bengalis were at the root of the troubles in Burma.

Despite this law which restricted the movement of a number of young Bengalis and put some of them into prison, the Governor came back to the Legislative Council within a few months in August, 1931 to make a confession:

> "When I addressed you last February, the [Burma] rebellion was still confined to the Tharawaddy and Insein districts...The rebellion spread first to Henzada, then to Thayetmyo and then to Prome and Pegu [districts] and there was also the rising in the Shan States. In April [1931] we had to apply for more troops, and the best part of two additional brigades have now been sent to Burma from India. We owe a great debt of gratitude to the Government of India and His Excellency the Commander-in-Chief for the readiness with which they have met our demands."[31]

The Government finally managed to crush the Burma rebellion using Indian soldiers lent by the Government of India for the purpose, and thousands of Burmans lost their lives in their fight against the Government. Burma Indians had nothing to do with these: but hated by the Government for the alleged revolutionary activities of a few young Indians

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[31] Burma Legislative Council Proceedings, vol. XX. 1931. p. 2.

and intensely despised by all Burmans for the role of Indian soldiers in the suppression of the Burma rebellion, the Indians in Burma were placed in the most unenviable position. A wall between Burmans and Indians had already been raised; all that remained was to give it some finishing touches and the Round Table Conferences of 1930-31 and 1931-32 held in London served that purpose.

Following the recommendations of the Simon Commission on constitutional reforms for India and Burma, Round Table Conferences were held in London to find an agreed solution of the problems. In the First Indian Round Table Conference held from November 12, 1930 to January 19, 1931, Burma was represented by three Burmans[32] and one European, all of whom were Separationists. Burma-Indians were not represented. At the Conference, Sir C. Y. Chintamoni said (on behalf of Indians in India):[33]

> "As an Indian, the point of view from which I look at the question of the Separation of Burma is this: that the will of the people of Burma should be the sole determining factor in the settlement of the question. If I looked at it from any other point of view - if I thought that

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[32] U Ba Pe, U Ohn Ghine, Sir Oscar de Glanville and U Aung Thin.

[33] Proceedings of the Indian Round Table Conference. First Session, (November 12,1930 to January 19, 1931) p. 191. H.M's Stationery Office, 1931.

> "the interests of India would be jeopardised by the Separation of Burma and therefore that the interests or the will of Burma should be subordinated to the interests of India - I should be guilty of the same injustice of which we accused the Imperialists of this country[U.K.]"

The British and Burman representatives acted as though the Separation of Burma had been settled in principle and a sub-Committee of the Conference urged His Majesty's Government to make a public announcement to that effect. Sir H. P. Modi and Mr. Shiva Rao (Indian representatives) reminded the Conference that the resolutions of the Burma Legislative Council had asked for Separation cum Dominion Status for Burma and that the leader of the Nationalist Party (who was also leading the Burman delegation at the Conference) had declared in the Council that "Separation without Dominion Status is of no value" to Burmans and that they wanted "Separation and Dominion Status together". In reply to a straight question from the Right Honourable Mr. Jayakar, that statement was not denied by U Ba Pe the leader of the Nationalists. Finally at Mr. Jinnah's suggestion, the Prime Minister agreed that the matter would be further discussed at the Plenary Session of the Conference; but no such discussion took place and the Prime Minister's statement at the end of the Plenary Session did not make it

clear whether Separation was an open or closed issue.

The matter became the subject of a hot debate in the all-India Legislative Assembly[34] in March 1931, when on a motion raised by a Burman Member of the House (U Kyaw Myint), all sections of the Assembly except the Government benches, joined in protesting that the Government of Burma headed by Sir Charles Innes was using every power it could wield, to acheive Separation and that it was being rushed through in London . They demanded that the question of Separation was a question for Burmans to decide and that adequate opportunity should be given to Burmans to exercise their choice. Some of the Indian members, particularly Sir Ramaswami Mudaliar a prominent liberal leader and constitutional lawyer, went at length to explain that Burma could easily and profitably become an autonomous member of the proposed All-India Federation and enjoy full autonomy as a separate State in all matters except a few subjects of common interest which might be delegated to the Centre at which Burma could be adequately represented. This debate and a very strong G.C.B.A. agitation in Burma (against Separation without Dominion Status) probably made some

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[34] India Legislative Assembly Debates, 1931. vol. III Government Press, Simla, 1931. p. 2082-2114.

impression on London and no formal announcement was made by His Majesty's Government accepting Separation in principle.

On August 21, 1931, His Majesty's Government announced their intention to convene a separate Round Table Conference for Burma:

> "For the purpose of seeking the greatest possible measure of agreement regarding the future Constitution of Burma and the relations of Burma with India".

The announcement also said: "The primary task of the Conference will be to discuss the lines of a constitution of a Separated Burma. When the results of these deliberations are known, there will be an opportunity for a review of the whole position by all parties concerned" before any final decision was taken by His Majesty's Government. It therefore appeared that the question of Separation was still an open issue.

The Burma Round Table Conference was held from November 27, 1931 to January 12, 1932; it included 33 delegates: 9 British selected by His Majesty's Government; 13 Burmans and 11 minority representatives (2 Karens, 2 Shans, 2 Indians, 3 Europeans, 1 Anglo-Burman and 1 Chinese) selected by the Governor with the approval of His Majesty's Government. All the delegates with the exception of two Indians and five

Burmans were actually Separationists. Even the 5 Burmans, known as anti-Separationists had no objection to Separation - if it was coupled with Dominion Status and they were able to persuade other Burmans to join them in presenting a memorandum, on the very first day of the Conference, demanding Dominion Status. Despite many differences among them in matters of detail, the Burmans representing the majority race of Burma, also expressed themselves unanimously and unequivocally against Communal representation, special safeguards or reservation of pwers in the hands of the Governor for the protection of minority rights and privileges. They considered that all the legitimate interests of minorities could be safely entrusted to the Burman majority forming the future Government of Burma. A Sub-Committee set up to consider the claims of minorities failed to achieve an agreement or compromise on any essential point.

The 11 minority members (a formidable number against 13 Burmans representing over 80% of the population) were as inflexible as those speaking for the majority. They, with the support of the 9 British delegates actually commanded a majority in the Conference and succeeded in[35] getting all

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[35] Proceeds of the Burma Round Table Conference; 1931-32 H.M's Stationery Office, 1932. p. 170-171, 178-179.

the promises they wanted from His Majesty's Government to prevent any administrative or legislative discrimination against the minorities and also to ensure adequate representation of their communal or special interests by separate electorates.

The role of the two representatives of Burma-Indians, Messrs. N. M. Cowasji and S. N. Haji needs special mention. They were both experienced and capable persons and directed (or misdirected) their ability in defending the special interests of all minorities. They (particularly Mr. Haji) incurred the displeasure of Burman representatives due to their insistence on the protection of all the existing rights of Indians including the free immigration and communal representation. Mr. Cowasji, a leading Barrister of Rangoon and Mr. Haji, a Barrister-Manager of the largest Indian Shipping Company, certainly represented the Indian landlords or big real estate owners, large commercial, banking and industrial magnates, who probably constituted less than one per cent of the Indians in Burma; but could they really represent other sections which included over 99 per cent of Burma Indians belonging to the working and middle classes settled for generations in Burma? The bulk of Indian settlers in Burma, who had little in common with the rich and affluent, remained practically unrepresented;

at least it might be safely assumed that Burma Indians were not truly represented in the Burma Round Table Conference or that the vested interests of a few (who had roots both in India and Burma) were over-represented. What happened at the Conference was therefore not unexpected. The two Indian representatives in collaboration with their fellow Barristers representing other minority interests did their best (or worst) to create constitutional water-tight compartments for all minorities including Indians, totally ignoring the recent happenings and the sentiments of Burmans with whom the vast majority of Indians would have to live and work in Burma. Thus at the Burma Round Table Conference, the battle of rights was won but the war of winning the hearts of Burmans, a real safeguard for Indians, was lost.

The Prime Minister's announcement at the end of the Burma Round Table Conference contained inter alia three decisions of His Majesty's Government which are relevant to our discussions; (i) they agreed to submit the Separation issue to a general election in Burma to be held in the autumn of 1932; (ii) they gave the outlines of a constitution for a separated Burma, which while carrying Burma much ahead of Indian Provinces in autonomy, fell short of

Dominion Status claimed by all sections of Burmans and (iii) they gave Burmans the option of joining the proposed Indian Federation (should they so decide at the Election) but strictly on the condition that once they got in, they could never come out of the Federation.

Both the Separationists and the anti-Separationists were dissatisfied with the results of the Round Table Conference. In the debates[36] that followed in the Burma Legislative Council, the Separationists made it clear that the proposed constitution did not satisfy the aspiration of Burmans. Outside the Council, the anti-Separationists (G.C.B.A.) denounced the proposed constitution as worthless and unworkable. The Prime Minister's announcement to submit the Separation issue to a General Election was generally welcomed, but his insistence that the rejection of Separation meant Burma's irrevocable union with India was condemned by all sections in Burma and India. The subject was also discussed in the Indian Legislative Assembly in March, 1932,[37] and all the parties in the House (except the Treasury Bench and a few European members) agreed that the Prime Minister's statement did not offer Burmans an

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[36] Burma Legislative Council Proceedings, vol. XXI. Fe

[37] Indian Legislative Assembly Debates. vol. III. 1932. p. 2173-2189. Government Press, Simla. 1932.

[37] Indian Legislative Assembly Debates. vol. III. 1932. p. 2173-2189. Government Press, Simla. 1932.

unfettered choice but was in fact forcing them to separate from India. Some of the Indian constitutional lawyers and leaders of moderate groups like Sir Hari Singh Gour and Sir Abder Rahim considered the Prime Minister's decision (once in the Federation always in the Federation) an unnecessary and unprecedented condition imposed on Burma against all accepted canons of constitutional law. Why tell a fair lady that she could marry but could have 'no divorce under any conditions and under any circumstances'? questioned Sir Hari Singh.

The Indian National Congress passed a resolution at its Karachi Session early in 1932 as follows:

> "The Congress recognises the rights of the people of Burma to claim Separation from India to establish an independent Burma State or to remain autonomous partner in a free India with the right of Separation at any time they may desire to exercise it."

A similar resolution was also passed by the Federation of Indian Chambers of Commerce representing the business communities of India at its Delhi Session in 1932 which urged that Burmans should be given a free and unfettered choice in this matter. Thus all sections of Indians, both in and outside the legislature, agreed that decisions to separate and federate should be left entirely to the discretion of Burmans unfettered by any pre-conditions.

The general election in Burma on the big question of Separation or Federation was held in Novermber 1932. The issue was quite straightforward and ample time was given between January and November 1932 to explain it to the electorate. The Burman electorate, generally intelligent and literate, clearly understood the issue which all the interested parties took great pains to explain to them over a period of about 10 months. As usual with all elections in democratic societies, there might have been exaggerations or over-emphasis on one or other aspect of the issue, but it would be an insult to the intelligence of Burmans to assume that the electorate did not understand the issue on which they were voting. They returned a verdict, clearly and unambiguously by an overwhelming majority, to remain associated with India. A large two-thirds majority voted against Separation.

The dictum of the Prime Minister - once in the Federation always in the Federation - was completely ignored. Despite the powerful official support given by Sir Charles Innes the Governor, and the vigorous non-official support from an aggressive Separationist press and Separationist movement carried on for years, why were the Separationists so badly routed? The reason was that Burmans disliked the

constitution attached to Separation; they also disliked the unconditional Federation, but considered for the time being at least, that Federation was the lesser of the two evils. Some of the most popular leaders and colourful personalities of Burma politics (Rev. Ottama, U Chit Hlaing, Tharrawaddy Pu, Dr. Ba Maw, Sir Paw Tun and others) who headed the anti-Separationist movement probably believed, (in the light of the assurances given by all parties in the Indian Legislative Assembly and the resolutions passed by the Indian National Congress) that it would be possible for Burma to obtain the right of Secession when an All-India Federation was formed or that it would be impossible for an Indian Federation to compel Burma to remain federated, if she later decided to break away from India. In any case, the nation's verdict, obtained in the manner required by His Majesty's Government, was very clear and emphatic. It was two to one in favour of Federation.

In the post-election period from December 1932 to February 1934, the newly elected Legislative Council however failed to reach an agreement on the issue of Separation or Federation. In view of the clear decision of the electorate, it was questionable whether a further reference to the Council (which contained both elected and Government nominated members) was at all necessary; but both the

Separationists who had lost the election, and the Government which was committed to Separation, insisted that the matter should be thrashed out again in the Council. Though anti-Separationists contained about two-thirds of the elected members of the Council, the combined strength of the Separationists and Government (official and nominated) members was larger than that of the anti-Separationists and the President of the Council (Sir Oscar de Glanville) was a prominent Separationist before he was elected as the President. The Council after a long debate in December 1932 passed a[38] resolution which opposed Separation on the basis of the Constitution outlined by the Prime Minister. But at the same time it opposed unconditional or permanent membership in a Federation. A special Session of the Council was summoned again in the spring of 1933 to reconsider[39] the matter and at this Session, the Separationists staged a filibuster to prevent the anti-Separationists from expressing their views or pressing for a division. Despite an extension of the Council Session, the House failed to come to a decision on any motion.

In August, 1933, the Secretary of State presented a

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[38] Burma Legislative Council Proceedings, vol. XXIII December 1932. Government Press, Rangoon. p. 88-367.

[39] ibid. vol. XXV. May 1933. p. 1-495.

memorandum to the Joint Select Committee of Parliament on a "Scheme of Constitutional reform in Burma if separated from India". The Burma Legislative Council[40] was permitted to discuss it, but the Governor (Sir Hugh Stephenson who had succeeded Sir Charles Innes) made it clear that there should be no more discussion on the issue of Separation or Federation. A motion by the anti-Separationists (which had the support of the majority of elected members) to reject the whole scheme was ruled out by the President of the Council, Sir Oscar de Glanville. Finally His Majesty's Government announced in February, 1934, that in the absence of a clear decision of the Burma Legislative Council, Parliament had decided that Separation was in the best interests of Burma and that the scheme of constitutional reform effecting Separation had been approved in principle by the Joint Select Committee of Parliament.

A further attempt was made by the anti-Separationists[41] in the Legislative Council early in 1935 to reject Separation. They moved a motion suggesting that Burma should remain in the proposed Federation; 37 elected Burman representatives

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[40] Burma Legislative Council Proceedings, vol. XXVI. August, 1933. Government Press, Rangoon, p. 247-342.

[41] ibid. vol. XXIX. February 1935. p. 65-134.

supported the motion against 31 elected Burmans opposing it; but the Government threw in the official members (the nominees of the Governor) with the result that the vote was reversed - the vote being 47 in favour and 37 against Separation. Finally, no fewer that 44 elected members of the House, representing a majority of all elected members, presented a memorandum to the Secretary of State expressing their views against Separation; but no action was taken on it.

There was no doubt that the anti-Separationists included nearly two-thirds of the elected members of the Council and that the verdict of the General Election (and that of the majority of the elected members) was against Separation. In his evidence before the Joint Select Committee, 1934, Dr. Ba Maw representing the Anti-Separationists, in reply to the Archbishop of Canterbury said:

> "If our choice is limited to Separation on the basis of the Prime Minister's proposed constitution and to the entry into the Indian Federation on the same terms as the other Indian Provinces, we unhesitatingly choose the Federal alternative as being in keeping with the very clear mandate we had obtained from the country."

Parliament however proceeded to consider the Government of Burma Bill in 1934-35. Sir Samual Hoare, Secretary of State explained that Burmans, who were against Separation,

were yet in favour of Separation[42] upon impossible terms; they wanted Burma to be a kind of in-and-out member of the Federation; secondly, they made a demand that if Burma did enter Federation, she must be given preferential treatment both in the matter of finance and in the matter of the powers that were to be assigned to the Burma unit. "It would be almost impossible to fit Burma into the Indian polity" he concluded. Earl Winterton (who was Under-Secretary of State only a short time before) said; "Decision at that election did not represent the real views of Burmans as a whole". He was supported by Sir H. Croft, M.P.[43] who pointed out "only 38% went to the poll, that is not an overwhelming vote on a great national issue". Sir Robert Horne, M.P. who had large business interests in Burma sounded a warning: "The British Commercial people - those who carry on large business in Burma - felt that Burma was based upon too narrow an economy to support the full expenditure which a Separate Burma would require [for defence and economic development]. They saw certain industries were going down, they saw the teak forests being to some

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[42] House of Commons, Parliamentary Debates, vol. 300 1934-35. p. 1195-1197. H.M's Stationery Office, 1935.

[43] ibid. p. 1226 H.M's Stationery Office 1935.

"extent denuded; they realised that possible development was not being achieved as fast as had been anticipated; they began to wonder whether Separation would be to the advantage of Burma."[44]

Against minor opposition from a few members of Parliament, the Government of Burma Bill providing for Separation of Burma was passed and it received Royal Assent in August, 1935.

It took a little over a year and a half to finalise all the remaining arrangements for Separation and the Government of Burma Act, 1935, separating Burma from India, actually came into effect on the first day of April, 1937. The interim period from August 1935 to April 1937 was on the whole very usefully spent on various negotiations between the Governments in London, New Delhi and Rangoon on matters of common interest and the agreed conclusions were approved by Parliament in the form of His Majesty's Orders in Council. The most important of these Orders were those relating to the trade, immigration, and financial arrangements between India and Burma, and we have discussed the provisions of those Orders in our earlier

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[44] House of Commons, Parliamentary Debates, vol. 300 1934-35, p. 1226. H.M.'s Stationery Office, 1935.

chapters. Their primary purpose was to maintain pre-Separation arrangements for a limited period to avoid dislocation in trade, immigration, fiscal and monetary matters until separate systems could be evolved for Burma. The negotiations were carried out by officials from both sides, and no Burman or Indian non-officials or representatives of Legislatures were associated. The denial of immediate control over the trade, tariff and immigration policies under the trade and immigration Orders were hardly palatable to the separationists whose plea for Separation was mainly based on these grounds. Some Members of Parliament representing the Lancashire trade interests at first objected to the preference which Indian manufactured goods would continue to enjoy in Burma even after Separation, but they finally withdrew their objections when the proposed period of trade and tariff arrangements between the two countries was reduced from five to three years.

The non-official sections of the Indian Legislative Assembly and the Burma Legislative Council strongly criticised the composition[45] and questioned the fairness and

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[45]The Tribunal included Mr. L. S. Amery, M.P., Sir Sydney Rowlatt (highly unpopular in India and Burma for the notorious Rowlatt Act) and Sir Walter Nicholson, a civil servant. They were not financial experts.

impartiality of the Amery Tribunal appointed by His Majesty's Government to advise on the settlement of debts between Burma and India. Briefly, the Indians claimed that the period of settlement (45 years) was too long, the allocation of 7.5% of the unproductive debts to Burma (against 10% claimed by India and 4 or 5% comceded by Burma) was arbitrary and the total debts allocated to Burma (Rs. 507.5 million or £37.5 million approximately) would have been much larger, had these been calculated on historical basis taking into account the actual amounts allocated to each country from the time of annexation of Burma or on the basis of annual balance sheets of transactions between the two countries prepared on the basis of historical records. The Burmans on the other hand claimed that Burma should have been totally exempted from such debts accumulated in the past, in view of the large amounts of central revenues collected in Burma and the unusually large annual contributions (estimated at £4 million in 1935-36) made from such revenues to the common defence expenditure (estimated £40 million in 1935-36) and that if any debts were at all allocable to Burma, these should be borne entirely by His Majesty's Government for historical reasons; Burmans also recommended a period of 60 years for repayment. The Amery Tribunal's decisions were based on the principles (assumed

to be followed in the matter of dissolution of partnership) which took into account the assets and liabilities as they stood at Separation and formulated an equitable plan for dividing these assets and liabilities. It did not go into the details of the past transactions from 1820 to 1937 as reliable figures for the entire period were not available. The award satisfied none,[46] and created much heartburning in India and Burma. The amount allocated to India was much less than that claimed; and on the other hand Burma also found herself in the position of having to pay up more than she bargained for.

Another cause for resentment was the appointment of a Committee to go into the question of defence after Separation - the composition of which and the arrangements recommended were treated as secret. No information was given regarding the effects of Separation on India's defence budget; however, the Defence Secretary admitted in the Indian Legislative Assembly that Burma would not be required to contribute towards India's defence budget although an agreement had been reached that in the event of an emergency, India would send military assistance to Burma. A

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[46] Proceedings of the Indian Legislative Assembly, vol. VI. September 1936. Government Press, Simla.
and Proceedings of the Burma Legislative Council, vol. XXXI. 1936. Government Press, Rangoon.

non-official motion in the Indian Assembly to discuss India's agreement to give military aid without any compensatory contribution by Burma was disallowed by His Excellency, the Governor-General on the grounds that "the motion cannot be moved without detriment to the public interest".[47] Indians saw no reduction in their defence budget after Separation; nor Burmans much Burmanisation of the army in Burma which continued to be predominantly Indian after Separation. In essence, the defence of Burma remained with the Indian Army, suspected by Burmans and criticised by Indians.

No Separation which terminated a century-old union could be more painful or more controversial. On the basis of what happened before and after Separation, and particularly during the War and post-War periods, politicians, economists and others interested in the progress and happiness of that region would possibly review Separation in different lights. With a hind-sight awareness of the crowded events which followed Separation, some might even question the wisdom or propriety of Separation at a time when Japanese expansion had already beached the borders of

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[47] Indian Legislative Assembly Proceedings, vol. IV 1937. p. 771. Government Press, Simla. 1937.

Southeast Asia as a result of the Sino-Japanese War while the clouds of World War II were gathering in the western horizon. Our studies seem to indicate that: the verdict of the General Election in Burma on this great issue was clearly against Separation; His Majesty's Government, if they so desired, could have accepted that verdict without violating any of their publicly announced principle or commitment; Separation was finally imposed on Burma by His Majesty's Government which considered it "to be in the best interest of Burma" in the "absence of a clear decision" by Burmans.

It must at the same time be admitted that irrespective of what happened at the General Election and in the Burma Legislative Council, the politically conscious Burmans were always united in their demand for Separation with Dominion Status. A majority of Burmans desired to remain temporarily associated with India only in the expectation of an earlier attainment of Dominion Status, but ultimate Separation was their definite goal. As matters developed, the Indian Federation never came into being and Burma by remaining separate, attained a much greater autonomy than that enjoyed by India in the 1930's: Association with India could have prolonged Burma's agony due to the then prevailing communal tensions in India. Even assuming that Burma

remained a member of the Indian Union, the right of secession could hardly be guaranteed as desired by Burmans. When Federations are formed, the historicial precedents clearly indicate that secession becomes a dangerous affair. Years of misery and horror surrounded the secession of the Irish Free State from the United Kingdom. The Americal Civil War followed the attempt of some of the States desiring to exercise the right of secession which they believed to be guaranteed under the Constitution. It therefore appears that His Majesty's Government had essentially acted in accordance with the inherent desire of Burmans in separating Burma from India.

However, Separation would have been less controversial and would certainly have created fewer problems had it been effected in the early 1920's when most of the politically conscious Burmans desired it without attaching many conditions to their claim. It would have provided Burmans some time and opportunity to develop their own ideas in a more peaceful atmosphere and, in all probability, a moderate and constitutional form of agitation would have prevailed in Burma over extremism which arose out of sheer desperation in 1920-21. The period of Dyarchy from 1923 to 1937 not only widened the gulf between Indians and Burmans but also did irreparable damage to Burma's relations with Britain and the Commonwealth.

It created the greatest opportunities for irresponsible and anti-social elements in Burma to raise their heads and destroy all moderate, enlightened and liberal influences in Burma politics. Probably, much of this could have been avoided had Separation been effected earlier with a slightly more liberal reform than Dyarchy. Also, unfortunately for the Indians in Burma, Separation came at a time when their relationship with Burmans had drained down the Irrawaddy to lie low in the deep waters of the Bay of Bengal which eternally separated Burma from India.

CHAPTER IX

INDIANS IN SEPARATED BURMA 1937-42

Before proceeding to consider the conditions of Indians in Burma after Separation, it will be useful to note briefly the salient features of the Constitution which Burma obtained at Separation and the provisions made for the protection of Indian interests in Burma under the Constitution and the Instrument of Instructions[1] to the Governor of Burma issued with the approval of Parliament. First the Constitution: it was incomparably superior to Dyarchy and a great step towards Dominion status. Briefly, Burma was withdrawn from the Viceroyalty of India and made a separate autonomous unit within the British Empire - a direct concern of His Majesty's Government and Parliament; she had a wholly elected House of Representatives and a Cabinet system of Government responsible to, and enjoying the confidence of the House; all the departments of Government were transferred to the control of the Cabinet Ministers headed by a Premier except those dealing with Defence, External Affairs and Monetary policy which were

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[1] Burma House of Representatives Manual. 1939. p. 125-133; Government Press, Rangoon, 1939.

the special responsibilities of the Governor assisted by three Counsellors and a Financial Adviser (appointed in consultation with the Cabinet); but the Governor was required under the Instrument of Instructions to practise "joint consultation between himself, his Counsellors and his Ministers in all matters including Defence of Burma" and to see that partnership between Burma and the United Kingdom within the Empire might be furthered "to the end that Burma may attain its due place among our Dominions".

From the several resolutions, which were passed by the dyarchical councils, we have seen that the Nationalists, while demanding Dominion Status within the Empire, were quite willing to share the responsibilities in certain fields, particularly defence and external affairs, with His Majesty's Government; they obviously believed that Burma needed some time and cooperation from His Majesty's Government to develop her own defence services and external relations. Now, for all practical purposes, the Nationalists got the Constitution they had been asking for; Burma had become autonomous, freed from the control of New Delhi; a Burman Cabinet having the confidence and support of the House, very largely elected by Burman voters, was in effective control of the internal administration of the country; the Cabinet also shared the responsibility for

defence and external affairs with the Governor of Burma representing His Majesty's Government; in these and other matters, the Governor could hardly act in a manner disregarding any reasonable advice of his Ministers. If one reads the Government of Burma Act, 1935 (without any past experience of its actual working) one would possibly be puzzled by the number of powers reserved for the Governor acting "In his discretion", "In his individual judgement", "In his special responsibility", etc. For instance, the pursuit of a sound monetary policy was a special responsibility of the Governor; but when it is remembered that the Financial Adviser (dealing with the Governor's special responsibility for monetary affairs) was also acting as one of the most trusted advisers of the Cabinet Ministers, and would not make any proposal to the Governor without prior consultation with the Burman Cabinet, one could easily recognise where the real power rested. Similarly, as regards defence, the Premier of Burma was a member of the Defence Council of the Governor which gave decisions on all important matters relating to Defence; and a little later, the Governor appointed a non-official Burman as his Defence Counsellor (Sir U Maung Gyee who was formerly a Nationalist leader). Burma's external relations were then practically confined to the Shan States, India and the

United Kingdom, and hardly any decisions affecting relations with these countries could be taken without the consent of the Burman Cabinet. Burmans were also fortunate in having Sir Archibald Cochrane (1937-40) and Sir Reginald Dorman-Smith (1940-45) as Governors of Burma; both of them were appointed from the British political circles, friendly to Burmans and could expect support from London; they were certainly more liberal and could act more boldly than the previous Governors who were promoted by the Viceroy from the rank of senior Indian Civil Servants. Sir Archibald and Sir Reginald were constitutional Governors and not autocrats (as they would appear to be from the provisions of the Government of Burma Act, which had provided for so many constitutional safeguards and special responsibilities for the Governor).

Secondly, for the protection of Indian interests, there were formidable provisions in the Constitution. For instance, it was the special responsibility of the Governor to safeguard the legitimate interests of the minorities (Section 8); no bill could be introduced in the legislature affecting immigration into Burma without the previous sanction of the Governor (Section 36); British subjects domiciled in the United Kingdom and India would be exempt from any restrictions imposed for reasons of birth, race,

descent, language, domicile or residence, and from any disability, liability, restriction or condition in regard to travel, residence, the acquisition, holding or disposition of property, the holding of public office or carrying on of any occupation, trade, business or profession (Section 44); taxation should not be such as to discriminate against British subjects domiciled in the United Kingdom and India (Section 45), ships and aircraft registered in the United Kingdom and India could not be subjected to any discriminatory treatment (Section 47); reciprocal treatment by convention between the United Kingdom and Burma and between Burma and India could be assured to companies and persons (Section 50); no professional or technical qualifications could be prescribed without the previous sanction of the Governor, which would debar a person practising any profession or carrying on any occupation, trade or business, from doing so (Section 51); no person could be deprived of his property or subjected to compulsory acquisition of property without compensation and no such legislation could be introduced without the previous sanction of the Governor (Section 145); there were also special provisions in the Constitution for His Majesty's Orders in Council regulating Indo-Burma Trade (Section 135), Immigration (Section 138), Indo-Burma

Financial Settlement (Section 138), Indo-Burma monetary arrangements (Section 137) which we have mentioned earlier.

The question of minorities had been one of the subjects of the hottest controversy during the Burma Round Table Conference and the legalists worked hard to make the checks and safeguards as watertight as possible, but after all they were paper-made. The Governor's powers or special responsibilities as provided for in the Constitution appeared formidable at first sight, but in the cold light of logic, they could hardly be applied without the co-operation of the Cabinet. If one takes a good look at the number of subjects (formerly provincial and central) which were transferred to the Ministers at Separation, the so-called checks and safeguards shrink into a less important place, in view of the great range of authority and the tremendous weight of fresh responsibility thrown upon the Burman Cabinet and the House of Representatives.

It was said[2] that Lord Randolph Churchill, when he was Secretary of State for India, having got a baby (Burma) placed in his arm, did not know on whose doorstep to leave her. He therefore chose to make India the nursing mother

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[2] House of Commons Debates, vol. 300, 1934-35. p. 1227 H.M's Stationery Office, 1935.

of the new child which he had acquired. Burma had certainly grown up by 1937 and received a Constitution befitting her majority. In fact, Burma's Constitution was infinitely superior to that of India (where the Government of India Act, 1935 could not be applied to the centre). The Constitution did not confer Dominion status immediately but was elastic enough to treat Burma on a par with a Dominion by convention[3].

What Burma did with that Constitution is not a subject of this study; but it may be briefly mentioned that there was only one general election under the Constitution (the second general election due in 1941 could not be held due to the war); during the five years from 1937 to 1942 (until the Japanese occupied Burma), no stable ministry could be formed by any political party in Burma; the game of ministry-making and ministry-breaking was played to the fullest extent by politicians; Burma had four changes of Government under four different Prime Ministers, none of whom had any control over his followers nor had any clearly defined policies for his Government.

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[3]This actually happened in 1946, when General Aung San formed his first Cabinet and exercised control over all subjects under the Government of Burma Act, 1935.

The House of Representatives consisted of 132 elected members including 36 from the minority communities - namely, Indians 13, Karens 12, Europeans 9, and Anglo-Burmans 2. Mr. R. A. Butler, the Under-Secretary of State, said in Parliament: that the minorities "are important goes without saying and that their importance is exhibited in the manner in which they are represented in the legislature".[4] Parliament recognised Indians as the most important minority in Burma (as can be seen from the largest number of minority seats allotted to them in the House). Detailed instructions were also given in the Instrument of Instructions to the Governor for implementing the provisions of the Constitution (mentioned earlier) relating to minority interests in general and the Indian and British interests in particular. Parliament made these provisions with the best of intentions to allay the fears of minorities. "The majority had almost the whole matter in their hands" as they "after all would govern the country"; and it was expected that "the majority itself would be wise, possibly, to err rather on the side of generosity on that matter" said Lord Peel, the Chairman of the Burma Round Table

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[4] House of Commons Debates, vol. 317; 1936-37. p. 1539 H.M's Stationery Office, 1937.

Conference[5]. But what actually happened was very different from what was expected. In short, 1937-42 became the most eventful and most fateful years for the Indian community in Burma; this period witnessed a spate of legislative and executive measures, cleverly designed within the four corners of the Constitution but clearly directed against Indian interests, a massacre of Indians far exceeding that of 1930 and 1931 and a total eclipse of Indian interests in Burma with the advance of the Japanese Army in 1942.

Soon after Separation, the Government appointed two high level committees. The Fiscal Committee, chaired by the Hon. James Baxter, Financial Adviser of the Governor, was required to examine the financial and economic conditions of Burma and to suggest suitable fiscal and administrative measures with a view to improving the Government systems. The second Committee, which included among other experts Sir Bernard Beans (who later became the Director-General of the United Nations' Food and Agricultural Organisation in Rome) was known as the Land and Agricultural Committee and was required to examine the long accumulated problems of agricultural finance, tenancy, land alienation, agricultural debts, rehabilitation of landless cultivators, etc. Briefly,

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[5] c.f. Statement of Lord Peel, Chairman, Burma Round Table Conference, Conference Proceedings; p. 172. H.M's Stationery Office, 1932.

the financial experts of the Fiscal Committee found that Burma had not become rich by Separation; her credit-worthiness was very small; her administrative expenditure including her new obligations assumed after Separation were heavy and her financial resources were comparatively meagre. The Committee warned the politicians that Burma could not afford an expensive system of administration in a "cart-wheel country". The experts of the Land and Agricultural Committee found, briefly, that the problems of tenancy, land alienation, agricultural debts, etc. were so complicated that no easy solution was possible, that the agrarian restlessness and discontent had assumed ominous proportions and that reasonable steps should be taken to improve the conditions of tenants, to stop further alienation of lands to non-agriculturists, to provide agricultural credit and to rehabilitate landless cultivators. These were great national problems and required solution on a national scale, irrespective of party considerations, with the cooperation of all concerned; the legislation had to be wise, doing justice between conflicting interests; and above all, the steps should be within the limits of available funds and trained personnel, both of which were in short supply. The politicians had however no scruple for such limitations; in order to gain popularity in the country, each faction wanted

to outbid the others in their attempts to hammer out ambitious legislation which would raise unreasonable expectations among the rural voters. All these measures afforded first class material for anti-Indian propaganda and most of them were directly injurious to Indian interests.

In the first session of the new House (February-March, 1937) an alarm was raised that Burman cultivators and tenants were being unduly harassed by landlords, particularly Indian Chettyars who by then owned about 25% (2.5 million acres) of the first class lands in 13 paddy growing districts of Lower Burma. The Government in a great hurry introduced a Tenancy Bill (full of errors and omissions and found to be legally unsound by the High Court at a later date). This Bill proposed almost summary powers for the Government to fix rents. Closely following the Tenancy Bill came the Burma Paddy Rents Control Bill, 1937 introduced by U Saw (leader of the Myochit Party) to restrict the rent to a maximum of 25% of paddy produced from any land[6]. It was not that these measures were solely directed against the Indian landowners (who were mostly Chettyars); they were applicable to all landowners, a majority of whom were Burmans. There was also no doubt that some reasonable

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[6] Proceedings of the House of Representatives, vol. I February 1937. pages 16, 23 and 37.

measures for the regulation of agricultural tenancy and control over agricultural rent were badly needed. But the objectionable features were: the undue emphasis which the Burman press and politicians, purely for personal and party-politics, continued to place on the alleged "grabbing of agricultural lands by foreigners" and the obstinacy which the Indian leadership jointly with Burman landlords continued to display in opposing such measures. These precluded the consideration of the problems in an impartial and objective manner.

Another controversial measure brought forward during the first session of the House (February-March, 1937) was a motion to make Burmese the major language of the House. English was the official language and it was compulsory for those who knew English to participate in the debate in that language. The Speaker could permit the use of Burmese by those who did not know English. Despite opposition from the European and Indian members the motion was carried[7] and from this time onward, the tendency among the Burman members to deliver speeches in Burmese increased, making it very difficult, particularly for Indians and Europeans, to follow the finer points of debate in the House and to make effective comments thereon. This contributed to the

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[7] Proceedings of the House of Representatives vol. I. February 1937. p. 202.

widening of the gulf between Burmans and Indians.

In the same Session of the House (March 1937) the Governor introduced the Burma Frontier Force Bill of 1937. This was[8] only formal legislation to change the name of the old Burma Military Police. The Bill however provided an occasion for expressing fresh anti-Indian feelings as the force included about 8,000 Indians against 3,000 belonging to the indigenous races of Burma. The Bill was thrown out despite the Governor's assurance to expedite Burmanisation. Some of the typical remarks in the House were that it was like "going back 100 years when this country [Burma] was conquered by Indian forces" and that these were "mercenary forces drawn from India and Nepal who came to save themselves from starvation in their own countries".

In the second session of the House of Representatives (August-September 1937) the City of Rangoon Municipal (Amendment) Bill 1937 was introduced to increase the Burman representation in the Rangoon City Council; in fact the Bill was designed[9] to transfer the control of city administration to Burmans who were in a minority within the city

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[8] Proceedings of the House of Representatives, vol. I. March 1937. pages 650 and 657.

[9] Proceedings of the House of Representatives, Vol. II (August-September 1937) p. 99-102.

limits. Burmans considered it absurd that they should be "ruled by non-Burmans" in Rangoon which was the capital of Burma. The Indian and European members of the House pointed out that for historical and other reasons it would be unfair to the Indian community which was by far the largest community in Rangoon and paid over 55% of the city taxes (against 11% by Burmans and 34% by Europeans and others).

During the same session of the House (August-September 1937) the Distribution of Lands Bill 1937 was proposed; the Bill was mainly directed against Indians and would give summary powers to the Government to acquire lands and industrial installations for public purposes: the Bill was however vetoed by the Governor[10].

In August-September 1937, the Burma Domicile Bill, 1937, was introduced by U Ba Pe, the leader of the Nationalist Party. The purpose of the Bill was to treat all Indians as foreigners with the exception of a small number who could qualify for domicile by reason of their birth or long residence in Burma. The Indian members pointed out that the Bill was contrary to Section 44 of the Constitution

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[10] Proceedings of the House of Representatives, vol. II (August-September 1937) p. 119.

(Government of Burma Act, 1935) which prohibited such discrimination against British subjects including Indians. The Speaker on the advice of the Advocate General (and High Court Judges) ruled it ultra vires of the Constitution.[11]

The year 1938 saw the worst manifestations of anti-Indian feelings in the history of Burma. A Burman (Moslem) named Shwe Hpi published in 1931 a booklet in the form of a dialogue between a Buddhist Monk and a Moslem Moulvi (preacher) in which he expressed certain views which were critical of Buddhism and its priesthood. Nobody took notice of this until early in 1938, when some objectionable passages, torn from the context, were reproduced and given wide publicity in the Burman Press. Profound and profuse apologies publicly given by Indians for the alleged offensive expressions were not heeded by the Burman Press. The newspaper Sun published by U Saw, the leader of the Myochit (Nationalist) Party and other Nationalist papers (e.g. New Light of Burma, New Burma, Saithan) took a leading part in a campaign against the Indians. The Government's feeble action at this stage, encouraged the mob to hold demonstrations and mass meetings in Rangoon and elsewhere under the

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[11] Proceedings of the House of Representatives, vol. III (August-September 1937) p. 201; and vol. IV (August-September 1938) p. 242.

leadership of some of the politicians and politically minded young Buddhist Monks. On the 26th day of July 1938, a dull grey day overcast with rainy clouds, a monstrous protest meeting was held at the golden Shwedagon Pagoda, Burma's symbol of peace and tranquility; and from that meeting a procession of ominously angry crowds, whose passions and tempers had been inflamed by violent speeches at the meeting, slowly entered the down-town part of Rangoon like a Dragon armed with weapons of destruction. It surged towards the Soorti Bazaar area where the bulk of the Indian business community lived. An indiscriminate attack on the Indians followed on a scale, very much larger than that witnessed in 1930 and 1931, including cold blooded murders, grievous hurts, looting, arson, etc. As during the Indian massacre of May 1930, the Police forces and the Government, headed by Premier Dr. Ba Maw, were most ineffective. The massacre and rioting soon spread throughout Burma. Nobody knew exactly what was the total loss of lives and property. The period from July 26 to the middle of September 1938 was a long period of horror for Indians all over Burma and thousands of violent crimes were committed during this period, for which no proper account could be maintained. The verified casualties included about 200 killed, about 1,000 injured, but the unofficial estimates

of killed and wounded ran into several thousands. It was not possible to make any official estimate of the amount of property destroyed, but there was no doubt that the loss was very substantial, running into millions of rupees.

As in 1930-31, the Indian community expressed their indignation and horror mostly in inaudible whispers or private conversations - avoiding carefully any public utterances or speeches in and outside the Burma Legislature. When the question was raised in Parliament, the Under-Secretary of State informed the House of the recent events in Burma which indicated the existence of a state of unrest in Rangoon and in certain other centres, but he said:

> "I would remind the Honourable Members that the primary responsibility for the maintenance of law and order in Burma has been laid by Parliament upon Ministers in Burma and no occasion has yet arisen for the Governor, in exercise of his special responsibility, to take action without consulting his Ministers or acting against their advice."[12]

This was the harvest of special safeguards promised by Parliament and planted in the Constitution of Burma for the protection of the Indian minority.

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[12] House of Commons Debates, vol. 343, 1938-39. p. 644-46 H.M's Stationery Office, 1939.

A small deputation visited India and explained the plight of Indians in Burma before the Indian National Congress and the Muslim League of India, the two major political organisations of India. Some tears were shed in those circles; the All-India Congress Committee expressed its feelings of grave concern over the danger to Indian life and property in Burma; the Federation of the Indian Chamber of Commerce passed a resolution noting the failure of the Government of Burma to protect the lives, liberty and civil rights of Indians in Burma and calling upon the Government of India to take adequate steps to safeguard Indian interests in future; the Indian Legislative Assembly criticised the Governments of Britain, Burma and India for their "criminal negligence" towards Indian interests in Burma and two adjournment motions moved by Sir Ziauddin Ahmed (September, 1938) and Sir A. H. Guznavi (February, 1939) were passed with the support of all sections of the Assembly including those belonging to the Congress and Muslim League. Mr. A. Ayyangar (a senior member and later a Speaker of the House) said that the riots of 1938 were not "sporadic incidents" but a design to turn out all Indians from Burma. But what could London or New Delhi do about it if the autonomous Government of Burma refused to listen? The expressions of protest and indignation in

India served only one purpose; it simply inflamed the passions of Burma Nationalists who considered it an uncalled for interference in Burma's internal affairs and threatened to take further retaliatory measures if the Indian agitation was not stopped.[13]

The Governor appointed a committee towards the end of September 1938 to report on the causes of the riots and the reasons for the ineffectiveness of the Police to handle it. This Riot Enquiry Committee was headed by a British Judge of the Rangoon High Court, Mr. Justice H. B.L. Braund and it included two Burmans U Po Han and U Khin Maung Dwe and two Indian representatives - Mr. A. Rahim and Dr. M. A. Rauf. The Committee's reports[14] issued in two volumes (an Interim Report and a Final Report) make interesting reading and provide a fairly good insight into the problems of Indians in Burma.

The Committee found that the real origin of the disturbances and the real cause of their protractions were 'political', that religion played only a minor part, and Shwe Hpi's book was only the occasion and the excuse for rioting.

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[13] Indian Legislative Assembly Proceedings, vol. VI 1938. p. 2652-2674 and vol. I. p. 202-212.

[14] Published by the Superintendent, Government Printing, Rangoon, 1939.

In brief, the Committee found that the provocative and irresponsible role of Burman Press and the activities of the anti-Government political agitators, both lay and clergy, preceded the rioting; they acted boldly in defiance of law and police to embarass the Government in power and in view of the prevailing anti-Indian feelings, the defenceless Indians became their easy targets; the lack of vigorous police action was due to hostile popular sentiments, uncertainty of Government support for any strong measures and unsatisfactory police regulations; the latter required orders from superior Police Officers and/or Magistrates before firearms could be used for the dispersal of unlawful assembly and such orders were not easily forthcoming during the riots.

The Riot Enquiry Committee's other important findings about the reasons of widespread anti-Indian feelings in the country, included inter alia, the long unresolved problems of Indian immigration, land alienation, heavy debts due to Indian (Chettyar) money-lending operations; resentment over the competition of Indian labour with Burman labour in the agricultural and industrial fields; the disadvantages suffered by Burman women married to Indian Moslems involving the conversion of women into the Moslem faith; and the cumulative effects of other political, economic and social

problems which plagued Indian relations with Burma for a long time.

After the anti-Indian riots of July-September 1938, the political opponents of Premier Ba Maw created further troubles inside and outside the Legislature. The students' strikes in schools and colleges, labour strikes in oil fields, anti-Government demonstrations, etc. created such confusion in the country that Dr. Ba Maw's Government completely lost control over the situation. His Ministry fell in February 1939 when some of his supporters abandoned him and voted with the opposition. U Pu (a moderate and a former leader of the Nationalists) succeeded Dr. Ba Maw as the Premier. He had hardly any control over his cabinet which included U Ba Pe (veteran separationist and the leader of the Nationalist Party) and U Saw (leader of the Myochit Party) the rising star of Burma politics whose newspaper Sun and partisan Galon army (a voluntary corps organised on fascist lines) were openly hostile to Indians. Indians could therefore hardly expect any relief from this Ministry.

Almost from the day it came into power, the Ministry started to take action racial in outlook. A resolution was passed to replace the immigration agreement and a letter was addressed to the Governor- General of India expressing Burma's desire to take action in this matter; a Labour

Commissioner was appointed in Rangoon to work out plans for immigration control; the Governor was advised to appoint a Commission to recommend measures for the control of Indian immigration. Normally these were not unreasonable measures, but taken soon after the riots, these created more terror and uncertainty in the minds of Indians about their future.

The Buddhist Women Special Marriage and Succession Bill passed early in 1939 created further tension. The main purpose of the Bill was to discourage marriages between Indian males and Burman females and to raise the marital status of the Burman partner and her children. Mr. R. G. Aiyengar, a veteran lawyer and a member of the House warned Burmans that the disabilities "which are visited on non-Burman males under the Bill, are so many, (e.g. he cannot make a Will, he cannot leave his property by Will, he cannot provide for his children by a previous marriage or for his former wife) that such alliances may in future be driven underground and be a clandestine one".[15]

In the same session, the Riot Enquiry Committee's Report was discussed by the House[16]. Far from dealing with

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[15] Proceedings of the House of Representatives, vol. V (February-April 1939) p. 1740.

[16] ibid. p. 2245-2267.

the main causes of murderous assaults on innocent Indians and the remedial measures recommended by the Committee, acrimonious exchanges and name-calling dominated the debate. The Hon. Somerset Butler, a European member of the House said: "From the Burman members of the House we have heard nothing but condemnation of the Report of the Riot Enquiry Committee. Some members have gone to the extent of suggesting that the Report is a conspiracy between the British and Indian interests to be-little the Burmese nation in the eyes of the world." The members talked and talked for three days and the Report was talked out of the House with little regret for those who lost their lives, limbs and porperties. Sardar Ganga Singh, an old Indian member of the House, observed that it was not Shwe Hpi's booklet which caused the riot, "it was the continuation of the anti-Indian trend set in motion since the 1920's."

In the same session of the House (February-April, 1939) and under the agressive guidance of U Saw, the Minister for Agriculture, two other measures were passed, namely the Tenancy Act 1939[17] and the Land Alienation Act, 1939[18].

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[17] Proceedings of the House of Representatives, vol. V (February-April, 1939) p. 1610-1698.

[18] ibid. p. 1728

The Tenancy Act was intended to ensure security of tanure and a standard of fair rent for tenants. This hastily drafted measure had many flaws and amid opposition from the Burman landlords and Indian Chettyars, it was rushed through the legislature. The Act finally proved unworkable for two reasons: Revenue officials inexperienced in this matter were inundated with applications from tenants for determination of 'fair rents', and the landlords (including Indian) did everything possible to stand in the way of a fair settlement. When the Government intervened to simplify procedure for a general reduction of rent in lieu of the examination of individual cases, the landlords appealed to the High Court which found that the decisions as to 'fair rents' in most cases were wrong. An Ordinance was passed by the Governor cancelling the 'fair rents' determined under the Tenancy Act. A revised Tenancy Bill was passed in 1941 to correct the deficiencies of the earlier Act but it could not be enforced due to the Japanese invasion. A similar fate met the Land Alienation Act which was rushed through the legislature amid opposition from Burman landlords and Indian Chettyars. It was intended to prohibit the transfer of land from agriculturists to non-agriculturists and was a complicated piece of legislation. By the time it became law the agriculturists had already lost much of their valuable lands to non-agriculturists.

The Act was not tested in a Court of Law as it practically remained ineffective.

The next session of the House (August-September 1939) saw another spate of anti-Indian Legislation, the most important of which was U Saw's Burma Land Purchase Bill, 1939. The Hon. Minister (U Saw) took great pains to explain that the transfer of lands to Chettyar non-agriculturists had assumed such proportion that the State acquisition of land for distribution to cultivators had become necessary. It was a grandiose scheme, designed to catch the imagination (and of course, the votes) of cultivators, for the implementation of which neither adequate funds nor trained officers nor administrative institutions were available. Even the leader of the Nationalist Party[19] criticised it bitterly: Where was land for 2 million families of landless agriculturists, he asked? Where was money (and machinery) necessary to distribute lands and collect rents from so many people? Where were the Apex Bank and Land Mortgage Banks to finance the measures? He said prophetically that it would take years to implement the scheme and the whole thing would end in smoke. Mr. Aiyangar (an Indian member of the House)

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[19] Proceedings of the House of Representatives, vol.VIII (August-September 1940). p. 60-80

pointed out that the Chettyars were quite willing to get rid of their lands at a fair price; the Government could acquire and distribute the Chettyar-owned lands; but under the scheme put forward by Minister U Saw, "the cultivator would get the present of a white elephant the feeding of which will either impverish him or kill the elephant." U Mya, a leading member of U Saw's Myochit Party, voiced the expectation of the party when he said that the bill and the Tenancy Act and the Land Alienation Act (previously passed) would make it so unprofitable for Chettyars to own lands that these would provide an opportunity for the Government to acquire land for distribution to cultivators at little cost.[20] These measures could hardly be implemented except on a very modest scale; the legislation however served two purposes, which were probably the real intentions of U Saw: it boosted his popularity and prestige among the Burman members of the House to enable him to overthrow his leader U Pu; and secondly it gave a clear warning to Indian Chettyars that they should now be prepared to give up their lands without expecting any compensation.

Two other measures, which affected the Indians, were introduced in the August-September session of the House in

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[20] Proceedings of the House of Representatives, vol. VI (August-September, 1939) p. 336-403.

1939 - one was the Registration of Foreigners Bill, 1939 and the other was the Burmanisation of Labour Bill, 1939.[21] The Registration of Foreigners Bill was purported to be a defence measure to watch the movements of certain classes of foreigners and the Home Minister told the House that Indians had been treated under the Bill as "technically foreigners". When the Indian Members pointed out that this was ultra vires of the Constitution (Section 44) the interests of Indians came under heavy criticism. The Speaker finally ruled that the Bill was ultra vires. The Burmanisation of Labour Bill was also highly discriminatory to Indians and the Speaker with the approval of the Advocate-General ruled that the Bill was also ultra vires of Section 44 of the Constitution. The two Bills mentioned above and the decision to shelve them were not important in themselves; these were but the symptoms of an old disease which had infected Burma politics from the early 1920's and had since eaten up the happy relations between Indians and Burmans. A small number of Burmans always found it easy to establish themselves in Burma politics by continuous harping on the evils of "Indian penetration" into Burma and a small number of Indian business and moneylending classes made it

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[21] Proceedings of the House of Representatives, vol. VI (August-September 1939) pages 743 and 932

equally their business to cry 'wolf' at every step. Both played into the hands of reactionaries, and gradually were raised the social, economic, and political walls which separated the two communities permanently. These politicians and business classes did not really represent any one except themselves and their vested interests and yet they practically dominated the scene for the entire period.

Similar trends continued in the February-April 1940 session of the House and the items of direct interest to Indians with which the House occupied itself included the Committee stages and detailed discussion of the City of Rangoon Municipal (Amendment) Bill, the Land Purchase Bill and the Burma Agricultural Debt Conciliation Bill. In regard to the Rangoon Municipal Amendment Bill, the European and Indian members appealed to Burmans to reconsider the measure. Messrs. Padget and Nelson, two European members, pleaded in vain that it was against all principles of equity and fairness to add 17 new members to the Municipal Council, of whom 15 would be Burmans, which would in fact impose a permanent domination of the Corporation by the Burman secion which constituted about 30% of the city's population and paid only about 11% of its taxes. These pleadings fell on deaf ears and a sentimental claim that the City Corporation of the capital must be run by Burmans

prevailed over everything else.[22] As regards the Land Purchase Bill, the Select Committee of the House was divided, half the members, including Indians, objecting to the measure on grounds of finance and other considerations. The Debt Conciliation Bill designed to make it difficult for landlords and Chettyars to recover advances paid to the cultivators, was also opposed by them.

In the August-September 1940 session of the House when a no-confidence motion against the existing (U Pu) Ministry (a normal practice of the opposition in every session of the post-Separation House of Representatives) came up for consideration, Minister U Saw who had by then gathered a sufficient number of followers in the House, struck the decisive blow by suddenly withdrawing from the U Pu Cabinet and voting with the opposition. The Ministry fell and U Saw formed a new cabinet in September 1940 as the third Premier of Burma. In the making and un-making of the Premiers since 1937, the Indian, European and other minority groups were not merely spectators. The declared policy of Indians and Europeans was to support any party which could form a stable Government and gave the promise of maintaining

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[22] Proceedings of the House of Representatives, vol. VII (February-April 1940) p. 266-272.

law and order; the support of these two groups was very much sought after by Burman aspirants to political power because Europeans never claimed a position in the Cabinet, and though a few Indians would have liked to be Cabinet Ministers, they could never ask for it openly for fear of becoming unpopular with the Indian voters. However, two 'consolation prizes' were offered to two junior Indian Members of the House, from time to time; an Indian Moslem member of the House and an Arakanese Moslem of Indian descent belonging to the Arakanese group of the House were appointed Parliamentary Secretaries to Burman ministers with little responsibility attached to such posts.[23]

It must be said to his credit that U Saw, despite his highly controversial character and past behaviour, easily managed to secure the support of Europeans and Indian members of the House to keep himself in power as the new Premier of Burma. Endowed with a kind of cunning and native shrewdness Premier U Saw suddenly assumed a moderate appearance and began to advocate constitutional agitation in preference to other methods which he and his party had been following earlier. He came out with a vague Statement of Policy soon after he became Premier in September 1940,

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[23]They were Mr. Karim Gani representing a section of Indian Moslems of Rangoon and Mr, S. Mahammed of Arakan.

which had the appearance of offering a little bit to every section of the House whether they were leftists, rightists or liberals. As for the Indians in Burma, he had no olive branch to offer; but the Indians could see that U Saw had disbanded all political private armies[24] including his own Myochit Party's Galon army which was very active during the anti-Indian riots and that he had also prohibited the publication of inflammatory, communal or seditious articles by all newspapers including his own paper, Sun. However, in order to reassure the Burmans that he was not neglectful of the 'Indian menace' he promised immediate action for the termination of the free immigration of Indians into Burma and of the free trade between India and Burma. As an earnest of his desire, he served notice on the Government of India to negotiate new agreements.

Above everything else, he fortified his own position as Premier by throwing into prison the leaders of Thakin Party, People's Party and Sineyatha Party including Thakin Nu, Thakin Mya, U Ba Pe, Dr. Baw Maw and others whom he considered to be his political enemies.

During his Premiership, which lasted for a little over one year from September 1940 to October 1941, he pursued

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[24]Private Armies then included U Saw's Galons; Dr. Ba Maw's Dhama-Tats; Thakin Party's Bama-Tats and others.

with great vigour the Land Purchase Bill which became law despite opposition from Chettyars, Burman landlords and experienced politicians. As pointed out by S. A. S. Tyabji, an Indian member of the House, the Act was wonderfully vague about the amount of compensation payable for lands purchased and the manner in which it was to be determined[25]. The Act remained a dead letter as, even by late 1941, when the Japanese were knocking at the doors of Burma, the elaborate arrangements necessary for implementing the provisions of the Act were not ready. As in the case of the Land Alienation Act and the revised Tenancy Act[26] both of which were passed in a great hurry amid opposition from Chettyars, Burmese landlords and other interests, there were hardly any administrative or financial arrangements for giving effect to it and these measures were finally abandoned with the approach of the Japanese. By the sheer weight of the majority, another favourite measure of U Saw, namely the City of Rangoon Municipal (Amendment) Bill was passed by the legislature and became a law in 1941. In the new City Corporation of 40 Councillors, no less than 22 would be Burmans, including two representing the Burman

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[25] Proceedings of the House of Representatives, vol. IX February- April 1941. p. 1509-10.

[26] ibid. p. 1508.

labour. There was none to represent the Indian labour; Mr. Tayabji, an Indian member of the House said "it is sheer injustice to leave alone Indian labour and provide two seats for Burman labour, whereas as a matter of fact, there is no Burman labour question in Rangoon. If there is any problem, this is a problem of Indian labour...Corporation itself employs something like 5,000 Indian labourers." The Select Committee on the Bill recommended a seat for Indian labour but the Legislature rejected it.[27]

U Saw boldly tackled the problems of trade and immigration between India and Burma. He negotiated two agreements with India on trade and immigration. We have discussed the provisions of the Immigration Agreement and the Trade Agreement of 1941 in the earlier chapters on Indian Immigration and Indo-Burma Trade respectively. None of these agreements could become effective due to the Japanese invasion.

The departure of U Saw from pre-Japanese Burma politics was as dramatic as his coming into power as the Premier of Burma. Briefly, he visited London in October-November 1941 for the ostensible purpose of asking for a promise of

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[27] Proceedings of the House of Representatives, vol. IX February-April 1941. p. 1584-85

postwar Dominion Status for Burma as a price for his Government's cooperation in the war effort. He knew that the Atlantic Charter, signed in August 1941, had been promptly declared not applicable to the British Empire, and that he could never expect such a promise, which had been denied to India. But his political stock was sinking, due to his ambition, arrogance and ruthless treatment of political opponents under the Defence of Burma Rules, and he needed something spectacular to give him the appearance of a freedom fighter. He probably hoped against hope to extract some concession from the war-harassed British Cabinet, but was sadly disillusioned when he got the expected reply from Prime Minister Churchill. On his way back through Europe, he was detected communicating with the Japanese, and made a political prisoner[28]. He was succeeded by Sir Paw Tun as the fourth Premier of Burma. It was expected that the new Cabinet would be more reasonable, particularly as it included Sir Htoon Aung Gyaw, one of the ablest Finance Ministers, enjoying the confidence of all classes, whom U Saw excluded from his cabinet. But

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[28]U Saw had a pre-War record of pro-Japanese activities in Burma. On his return journey, it was alleged that he promised assistance to the Japanese who were then planning for invasion of Burma and had contacted the Japanese officials at Lisbon. He was arrested by the British on his arrival at Cairo and detained as a political prisoner in Uganda until the end of the War.

unfortunately the new Government could hardly do any work as the Japanese started to overrun Burma from February 1942.

CHAPTER X

THE END OF INDIAN INTERESTS

We have now come to the end of our story and may take a brief look at conditions prevailing at the time of the Japanese invasion. December 23, 1941 was a memorable day for Britain, Burma and India; and it was also the day which saw the beginning of the end of Indian society in Burma. It was a clear morning and the sun was shining bright over the golden Shwedagon Pagoda. The early morning radio had announced the presence of some Japanese soldiers on the Thailand-Burma borders; but no one in Rangoon believed that this had brought the war to his door. Around ten o'clock in the morning, a number of Japanese aircraft suddenly came out of the blue and there was a burst of bombs, bullets and shells all over the crowded downtown business centres and the port areas of Rangoon - mostly inhabited by Indians. Several hundred Indians were killed and a few thousand were wounded; but the effect of the bombing was more far-reaching than the immediate killing or maiming.

The people realised for the first time that they were completely exposed to bombing; there was no protection of any kind, and the few British aircraft which responded to the Japanese attack made little impression on the local

people. Nobody was really prepared for the disaster. The fate of the wounded and the disposal of the dead were shocking surprises: one of the two hospitals of Rangoon was blasted by the bombing and the facilities in the other were most inadequate. The position was made more difficult by the flight of Indian menials, and lower grade employees who were reluctant to return to duty and expose themselves to further attacks. The threads of communication, business and Government were torn to pieces soon after the bombing; a regular march or stampede of population from the main city to places of safety outside started. By the evening, the heart of the city was almost a ghost town. Shops, business premises and private residential houses or apartments lost all protection; only the Government offices and public utilities had some kind of guard to look after them. Enemy-sponsored radio announcements and propaganda in the Burmese, English and Indian languages began to pour poison into the ears of all, advising them to keep away from 'targets' which included all important centres of communication, business and Government.

The Government and the people were just not prepared for a situation of this kind. The Japanese invasion and the retreat of the Government forces, which happened within a short period, were in effect extremely dreadful. For many

reasons the Indians in Burma were the most disorganised and frightened of all. The memory of anti-Indian massacres and the none too helpful police was very recent; "Indians Go Home," was still the slogan of the day; Indian leadership was poor; in fact, the rich and the affluent took to their heels first, and the Government had no means of providing safety or security against external aggression, or (what was worse) against internal discrimination. Once out of the shelter of a city (and most of the Indians were city dwellers), Indians had no place to stay. "Evacuation" became the policy, and the Indians were on the move by all available means of transport, but generally on foot. General apathy of the local people, if not hatred and envy consistently encouraged by a section of Burmans, fear of life, or molestation, and the enemy propaganda and threat to remove Indians from their key positions to dislocate business, transport and communications to prepare grounds for invasion, all combined to compel the Indians to leave their own homes and properties in Burma and to join the journey to the unknown.

Practically all the Indians, except those who were not physically fit or utterly helpless, began to move from place to place in search of safety or protection until they

could reach India by one route or other. The sea was not safe and only a few ships were available during December 1941, and January 1942, to evacuate some Indians. Most of the estimated 900,000 Indians then living in Burma attempted to walk over to India either through the Prome-Taungup-Arakan route to Bengal, or else through the Chindwin Valley to Manipur or through the Hukawng Valley in the north to Assam - all extremely difficult land routes to India through hills, mountains, and jungles. Nearly 500,000 reached India after months of hardship. Nobody knows how many died on the way. Estimates of the dead vary from 10,000 to 100,000 persons. Rains made those paths impassable from April 1942 and forced many to stay in Burma. Wherever they found accomodation, they huddled together in groups for safety, deprived of their earthly possessions which had vanished like a dream. Some were fortunate in getting protection from goodhearted Burmans, though the latter were as helpless as were the Indians in the turmoil that followed the invasion. This was really the end of the pre-war interests of Indians in Burma, which fell, behind the curtain of Mikado, never to rise again.

CONCLUSION

Burmans (as distinct from other races in Burma) could always claim to be a nation: a rare thing in India until 1947. Burmans who had lost their independence only a few decades back generally were resentful of Viceregal rule from Calcutta or New Delhi, and some of them even remembered that their King had refused to receive an ambassador from the Viceroy and insisted on one from the King of England. The nationalists could never be satisfied until Burmans were recognised as a separate nation. But separation, when it came at last, did not produce either leadership, of a stable government in Burma. No single party had effective power to carry out any reform or a uniform policy or programme. There could be no mature consideration of or decision on the Indian problems or any other important political, economic, or social problem in the prevailing situation, charged with emotion, hatred, and violence. When the Japanese invasion came, everything was in a turmoil and everybody ran for life.

The traditional tolerance of Burmans and the normal conditions under which the Burmans and Indians had lived side by side for nearly 100 years had ended. The parting of the ways had started in the early 1920's; the Separation of 1937 had accelerated the process; the massacre of 1938

and the chauvinistic executive and legislative measures during 1939-41 for economic, social and agrarian reforms in Burma served as sufficient notices of termination of the Indian interests in Burma. Though some of these measures could not come into full operation when the war with Japan had begun in December, 1941, Indians in Burma had clearly understood that they would always be regarded as aliens in Burma.

An unfortunate part of the whole story is that during these four decades of development, the Indian community failed to develop either an effective leadership of a long-term policy for cooperation with Burmans or Burmese national interests. The debates in the Burma Legislative Councils formed under the 1923 reforms, the proceedings of the Burma Round Table Conference of 1931, and the discussions in the Burmese legislatures under the 1935 Constitution, both before and after Separation from India, give one the general impression that Indians were more anxious to safeguard their own interests through communal representation, special protection, shelter under the Governor's individual powers or responsibility and such other devices, specially provided under the 1923 and 1935 reforms for the protection of British interests. The same impression is also gained from debates in Indian legislature during this

period. Thus, Indians appeared to be aligning themselves with the ruling colonial power against whom a tide of nationalism was rising in Burma since 1920. The tide of communal passion which was rising in India between Hindus and Moslems in the 1930's also reached the shores of Burma and signs of division among Indians were clearly visible in Burma. Poorly led, divided among themselves in a foreign country, the Indian community never realised that its greatest safeguard was the goodwill of Burmans and not isolation or alignment with the ruling power. Separate schools for Indian children, separate Indian business houses in which Burmans had no share, exclusive Indian clubs, banks, cooperative stores, all gave the impression of Indian non-participation in Burman national life. Aloof from Burmans, Indians had one eye fixed on India and the other on Britain for protection. They were never prepared to sink or swim with Burmans. On the other hand, a vocal section of Burman politicians and newspapermen adopted an anti-Indian policy as their main political platform and nothing would satisfy them except the total elimination of Indian interests irrespective of consequences..

However, it should be borne in mind that these four decades were also a period of rapid development of a money economy in Burma accompanied by urbanisation and an unprecedented expansion in all directions which brought

different communities and divergent interests in close competition with one another and tended to create tremendous tensions amongst them. The rise of nationalism, particularly among the city dwelling educated classes, the agitation for political reforms and the economic depression of the 1930's aggravated the tensions and created formidable problems for which no satisfactory solution was easily available. From all these, the Indian interests in Burma suffered greatly, often unnecessarily; but whatever course they had adopted, such wealth or interests as they had in 1941 would not have survived the onslaught of war, invasion, revolution, which descended upon Burma like an avalanche from 1942 onwards.

APPENDIX I.

Value of Total Imports and Exports (including Re-exports) to and from Burma - Merchandise only. (In millions of rupees)

Year (1)	Value of total imports into Burma. (2)	Value of total exports from Burma. (3)	Total of imports and exports. (4)	Year (5)	Value of total imports into Burma. (6)	Value of total exports from Burma. (7)	Total imp ar exp (8
1900-01	123	199	322	1920-21	441	538	97
1901-02	116	176	292	1921-22	371	615	98
1902-03	118	209	327	1922-23	361	616	97
1903-04	145	207	352	1923-24	356	575	93
1904-05	156	226	382	1924-25	425	631	105
1905-06	151	236	387	1925-26	391	748	113
1906-07	165	270	435	1926-27	387	626	101
1907-08	190	317	507	1927-28	429	700	112
1908-09	204	295	499	1928-29	362	626	98
1909-10	180	316	496	1929-30	361	647	100
1910-11	186	342	528	1930-31	284	507	79
1911-12	197	357	554	1931-32	213	403	61
1912-13	235	406	641	1932-33	203	412	61
1913-14	235	414	668	1933-34	179	418	59
1914-15	181	363	544	1934-35	204	450	65
1915-16	192	345	537	1935-36	208	479	68
1916-17	215	394	609	1936-37	218	497	71
1917-18	195	342	537	1937-38	238	504	74
1918-19	254	436	690	1938-39	208	485	69
1919-20	307	552	859	1939-40	252	540	79

Source: Annual Statements of Seaborne Trade and Navigation, India and Burma.

APPENDIX II.

Statement showing the number of Passengers by Sea, landed at, and embarked from, the Ports of Burma. (All numbers are in thousand

Calendar Year. (1)	Incoming. (2)	Outgoing. (3)	Excess. (4)	Calendar Year. (5)	Incoming. (6)	Outg
1900	163.3	120.5	42.8	1920	341.1	24
1901	154.6	114.2	40.4	1921	331.9	30
1902	142.8	135.0	7.8	1922	360.0	31
1903	180.2	139.7	40.5	1923	382.7	29
1904	182.7	125.2	57.5	1924	388.2	31
1905	238.5	175.7	62.8	1925	372.7	35
1906	360.5	319.8	40.7	1926	408.4	34
1907	271.1	267.6	3.5	1927	428.3	36
1908	319.2	301.0	18.2	1928	418.6	33
1909	302.2	301.9	.3	1929	405.3	37
1910	331.1	298.6	32.5	1930	368.5	39
1911	368.3	311.5	56.8	1931	319.6	36
1912	327.5	331.5	-4.0	1932	334.2	28
1913	380.2	355.3	24.9	1933	263.8	25
1914	268.4	146.2	122.2	1934	279.1	22
1915	338.8	249.0	89.8	1935	296.6	23
1916	258.8	252.3	6.5	1936	269.2	22
1917	223.1	237.1	-14.0	1937	271.2	23
1918	259.9	234.2	25.7	1938	240.5	25
1919	284.7	219.0	65.7			

Note: The figures are derived from the records kept by the Pu Department which records are compiled from information the Port Health Officers at Rangoon, Akyab, Bassein, Mo and Mergui. For ports other than Rangoon the figures o and outgoing passengers are Shipping Companies' figures sent the number of tickets sold.

APPENDIX III.

Statement showing the number of Passengers by Sea, to and fro
as recorded at the Port of Rangoon. (Incoming figures are
reports of Rangoon Port Health Officer; outgoing figures a
reports of Government Public Health Department.)

Calendar Year (1)	Incoming				Outgoing
	Men (2)	Women (3)	Children (4)	Total (5)	Total (6)
1913	252,926	20,690	14,966	288,582	242,679
1914	171,275	16,216	10,504	197,995	53,299
1915	250,479	15,464	12,059	278,002	184,665
1916	191,336	14,119	10,685	216,140	167,174
1917	173,843	12,592	9,763	196,198	187,680
1918	208,436	12,340	10,001	230,777	180,940
1919	231,206	15,493	12,599	259,298	176,715
1920	264,392	20,262	15,634	300,288	188,999
1921	253,025	20,912	13,951	287,888	245,391
1922	267,329	20,626	12,988	300,943	246,977
1923	287,618	21,474	13,042	322,134	223,918
1924	291,401	21,763	12,865	326,029	242,568
1925	275,832	20,586	12,917	309,335	277,322
1926	308,046	24,177	14,887	347,110	267,709
1927	319,966	27,167	13,953	361,086	280,739
1928	320,247	26,273	13,609	360,129	263,345
1929	308,075	25,423	12,408	345,906	294,574
1930	264,744	24,390	12,783	301,917	314,429
1931	234,227	19,682	12,196	266,105	288,696
1932	329,431	19,144	15,618	274,193	224,098
1933	187,568	16,195	12,895	216,658	194,925
1934	196,574	17,425	14,358	228,357	179,773
1935	209,718	19,090	17,251	246,059	176,470
1936	185,664	16,548	16,781	218,993	179,924
1937	186,517	18,306	16,690	221,513	186,181
1938	167,074	16,114	14,226	197,414	213,566

APPENDIX IV.

Statement showing number of Passengers by Sea, to and from India at the Port of Rangoon. (Compiled and published by the Labour Commissioner, Burma, from the Returns furnished by the Port Commissioners, Rangoon.)
(nearest whole thousands)

Indian Port Direction (1)	Year ending with August of														
	1925 (2)	1926 (3)	1927 (4)	1928 (5)	1929 (6)	1930 (7)	1931 (8)	1932 (9)	1933 (10)	1934 (11)	1935 (12)	1936 (13)	1937 (14)	1938 (15)	1939 (16)
ALL INDIA															
Incoming	271	296	308	324	307	273	252	240	220	199	216	219	199	189	183
Outgoing	253	268	264	278	298	305	285	225	200	185	188	184	195	200	202
Balance in	18	28	44	46	9	-32	-33	15	20	13	28	35	5	-11	-19
CHITTAGONG															
Incoming	41	40	42	52	49	51	48	52	47	36	36	37	37	28	25
Outgoing	34	41	39	44	55	52	56	47	40	32	32	32	36	31	32
Balance in	7	-1	3	9	-6	-1	-8	5	7	5	5	4	2	-2	-7
CALCUTTA															
Incoming	92	99	103	113	109	91	78	72	71	66	77	78	72	66	63
Outgoing	80	83	86	88	93	90	81	66	61	62	69	67	66	73	70
Balance in	11	15	17	25	16	1	-3	6	10	4	8	11	6	-7	-8
COROMANDEL COAST															
Incoming	78	95	104	95	91	85	86	75	65	62	62	66	56	61	64
Outgoing	94	94	88	94	97	111	94	69	62	56	56	52	57	59	58
Balance in	-17	1	16	2	-6	-26	-8	5	3	7	6	14	-1	2	6
MADRAS															
Incoming	59	61	58	62	56	44	38	40	35	33	40	37	32	32	30
Outgoing	43	49	49	51	51	50	53	40	35	35	30	32	34	36	41
Balance in	16	12	9	11	5	-5	-15	-1	-	-2	10	5	-2	-4	-10
ALL OTHER PORTS															
Incoming	1	1	1	1	1	2	2	2	2	2	1	2	1	1	1
Outgoing	1	1	2	2	2	2	2	2	2	1	1	2	2	1	1
Balance in	-	1	-	-	-	-1	-	-	-	-	-	-	-	-	-

Figures for ALL INDIA and CHITTAGONG up to August, 1937 include also passengers travelling only between Rangoon and the Arakan Coast.

APPENDIX V.

Races and religions of Indians in Burma as given in 1931 Census Report, volume XI; Burma, Part II. p. 245.

Imperial Table XVII: Part I.

Indian Races		Religion	Males	Females
Asamese	Total	.....	891	435
		Hindu	772	413
		Others	119	22
Beluchi	Total	.....	53	11
Bengali	Total	.....	48,682	16,529
		Moslems	28,781	10,750
		Hindu	18,160	5,360
		Buddhists	1,491	309
		Christians	228	90
		Others	22	20
Bhotia		Hindu	1	-
Bihari		Hindu	508	31
Borah		Moslem	112	48
Chittagonians	Total	.....	163,912	88,240
		Hindu	4,891	873
		Moslem	157,155	86,749
		Buddhists	1,826	617
		Others	40	1
Chulia	Total	.....	23,269	8,723
		Moslem	23,108	8,656
		Others	161	67
Deccani	Total	.....	817	373
Dogra	Total	.....	146	10
Gharwali	Total	.....	961	263
Goanese	Total	.....	651	150
Gujrati	Total	.....	4,622	1,847
Gurkha	Total	.....	26,689	12,843
		Hindu	25,745	12,447
		Buddhists	655	282
		Others	289	114

Indian Races	Religion	Males	Females
Hindustani	Total	132,842	42,125
	Hindu	103,591	32,445
	Moslem	27,328	9,020
	Buddhists	1,273	383
	Christian	460	227
	Others	190	50
Jat	Total	273	11
Kachi	Total	539	193
Kaka (Mopla)	Total	9,039	402
	Moslem	8,949	392
	Others	90	10
Kanarese	Total	151	89
Kashmiri	Total	38	6
Khoja	Total	208	159
Konkani	Total	75	-
Kumaoni	Total	2,010	319
Maharatta	Total	437	162
Maimon	Total	3,097	758
	Moslem	3,097	747
	Others	-	11
Malabari	Total	2,645	560
	Hindu	1,931	445
	Moslem	542	29
	Christian	137	69
	Others	35	17
Marwari	Total.....	1,480	823
Moghul	Total.....	348	239
Nursapuri	Total.....	3,361	1,688
	Moslem	2,865	1,419
	Christian	438	231
	Others	58	38
Oriya	Total.....	58,905	3,680
	Hindu	56,016	3,110
	Moslem	910	231
	Buddhists	1,427	157
	Christian	501	173
	Others	51	9

Indian Races	Religion	Males	Females
Parsi	Total.....	307	191
Pathan	Total.....	3,501	971
	Moslem	3,439	937
	Others	62	34
Punjabi	Total.....;.....	21,343	7,445
	Hindu	7,269	2,675
	Moslem	5,866	1,634
	Sikh	7,792	2,969
	Arya	73	83
	Others	343	84
Rajput	Total.....	416	67
Sindhi	Total.....	270	56
Surati	Total.....	3,937	2,195
	Moslems	3,783	2,170
	Others	154	25
Tamil	Total.....	93,435	56,453
	Hindu	78,135	45,304
	Christian	12,082	9,705
	Moslem	1,504	748
	Buddhist	1,584	658
	Others	130	38
Telegu	Total.....	123,940	35,819
	Hindu	118,696	33,883
	Christian	3,184	1,285
	Moslem	1,086	373
	Buddhist	881	263
	Others	93	15

APPENDIX VI

Burma's Trade with India - (Major Selected Commodities)

EXPORTS

Commodity	Unit	Quantity			Value in lakhs of rupees or Kyats (i.e. 00,000)		
		1937-38	1938-39	1939-40	1937-38	1938-39	1939-40
Total exports	-	-	-	-	2,528	2,582	3,235
Rice	Long tons (000)	1326.25	1571.00	1909.80	980.00	1098.90	1511.40
Potatoes	Long tons (000)	33.02	29.54	26.84	28.31	27.36	27.75
Beans	Long tons (000)	10.90	16.60	14.15	8.78	11.58	10.49
Gram	Long tons (000)	6.06	9.74	17.94	4.32	7.26	15.58
other pulses	Long tons (000)	27.01	43.00	56.72	24.72	37.72	53.03
Tobacco (raw)	lbs (000)	3,057	2,048	1,477	1.51	1.85	1.98
Cotton (raw)	Long tons (000)	1,119	591	424	5.25	2.90	1.75
Rubber (crude)	lbs (000)	5,954	4,947	7,496	16.10	9.07	17.09
Teakwood	cubic tons (000)	163.7	159.9	170.4	204.60	201.30	204.00
Kerosene	Imperial gals.(000)	131,338	126,329	140,479	712.80	683.10	762.30
Lubricating oil	Imperial gals.(000)	6,957	5,165	7,892	75.90	62.70	92.40
other oils	Imperial gals.(000)	68,258	63,791	15,645	339.90	287.10	92.40
candles	lbs. (000)	3,179	3,024	2,906	8.94	8.38	8.42
lead (pig)	Long tons	6,818	14,414	14,824	24.85	49.50	49.50
Tin blocks, slabs	Long tons	1,830	2,760	2,900	6.27	7.42	8.87
Matches	Gross (000)	1,246	1,375	1,633	11.55	11.78	14.12
Silver	st. oz. (000)	4,351	4,853	6,667	49.50	52.80	66.00
Miscellaneous exports and re-exports made up the balance.							

Source: Burma Trade Journal, vol. I. Government Press, Rangoon, 1938;
and Annual Statement of Seaborne Trade and Navigation of Burma, Government Press, 1940.

APPENDIX VII

Burma's Trade with India - (Major Selected Commodities)

IMPORTS

Commodities	Unit	Quantity			Value in lakhs of rupees or kyats (i.e. 00,000)		
		1937-38	1938-39	1939-40	1937-38	1938-39	1939-40
Total imports	--	-	-	-	1171.00	1122.00	1393.00
Cotton piece goods	yds (000)	102,763	88,852	108,961	205.80	180.10	250.80
Cotton yarn & thread	lbs (000)	10,595	13,673	17,780	59.40	72.26	82.50
Jute & gunny bags	-	-	-	-	118.80	132.00	178.20
Iron & steel	long tons	29,353	26,009	48,903	66.00	59.40	92.40
Coal & coke	long tons	307,959	380,297	321,248	49.50	62.70	52.80
Wheat flour	long tons	25,138	26,851	24,818	39.60	36.30	33.00
Fish	lbs (000)	14,189	12,626	15,484	39.00	36.30	36.30
Sugar	lbs (000)	2,783	761	670	24.75	18.15	12.50
Tea	lbs (000)	7,740	1,917	2,663	33.00	12.00	22.00
Cigarettes	lbs (000)	1,461	1,083	1,094	52.80	49.50	49.50
Tobacco	lbs (000)	14,360	14,683	14,664	23.10	23.10	26.40
Hides & skins	lbs (000)	517	226	271	6.00	2.60	3.30
Soap	lbs (000)	8,079	8,675	10,987	16.50	17.80	24.50
Drugs & medicines	-	-	-	-	6.600	6.60	9.50
Paints & varnishes	-	-	-	-	9.90	9.90	13.20
Footwear	Pairs (000)	1,140	724	1,146	3.50	3.30	6.60
Paper	lbs (000)	5,742	6,717	8,507	9.90	13.20	16.50
other miscellaneous items, eg. hardware, cutlery, machinery, appliances etc. made up the balance							

APPENDIX VIII

Foreign Trade Balance of Burma, 1901-1941

Years	Millions of Rupees or Kyats			
	Exports (Yearly average)	Imports (Yearly average)	Favourable Trade Balance	Percentage excess of Exports
1901-06	210.6	145.1	65.5	45
1906-11	304.8	184.0	120.8	66
1911-16	356.8	211.8	145.0	68
1916-21	457.6	282.3	175.3	62
1921-26	660.2	365.7	294.5	81
1926-31	661.2	362.6	198.6	82
1931-36	485.6	201.3	284.3	141
1936-41	519.2	250.8	268.4	107

N.B. The exchange value was 1s. 6d. per rupee

Source: Knappen Tippetts Abbett Company's Comprehensive Report, Table III - 4: p. 45.

and Economic Development in Burma, 1951-60 by J. L. Walinsky, Published by the Twentieth Century Fund Inc. New York. 1962: p. 49.

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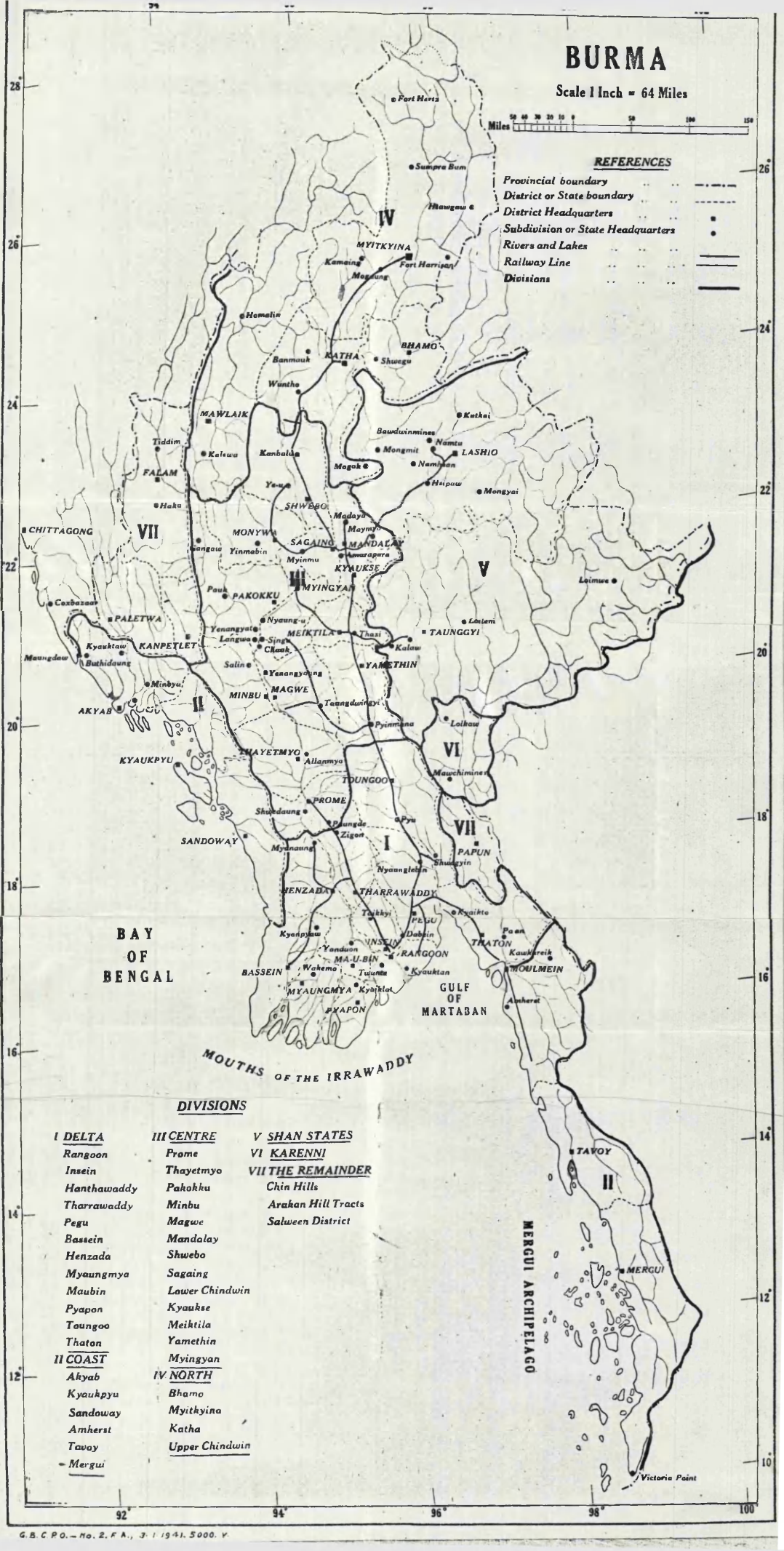

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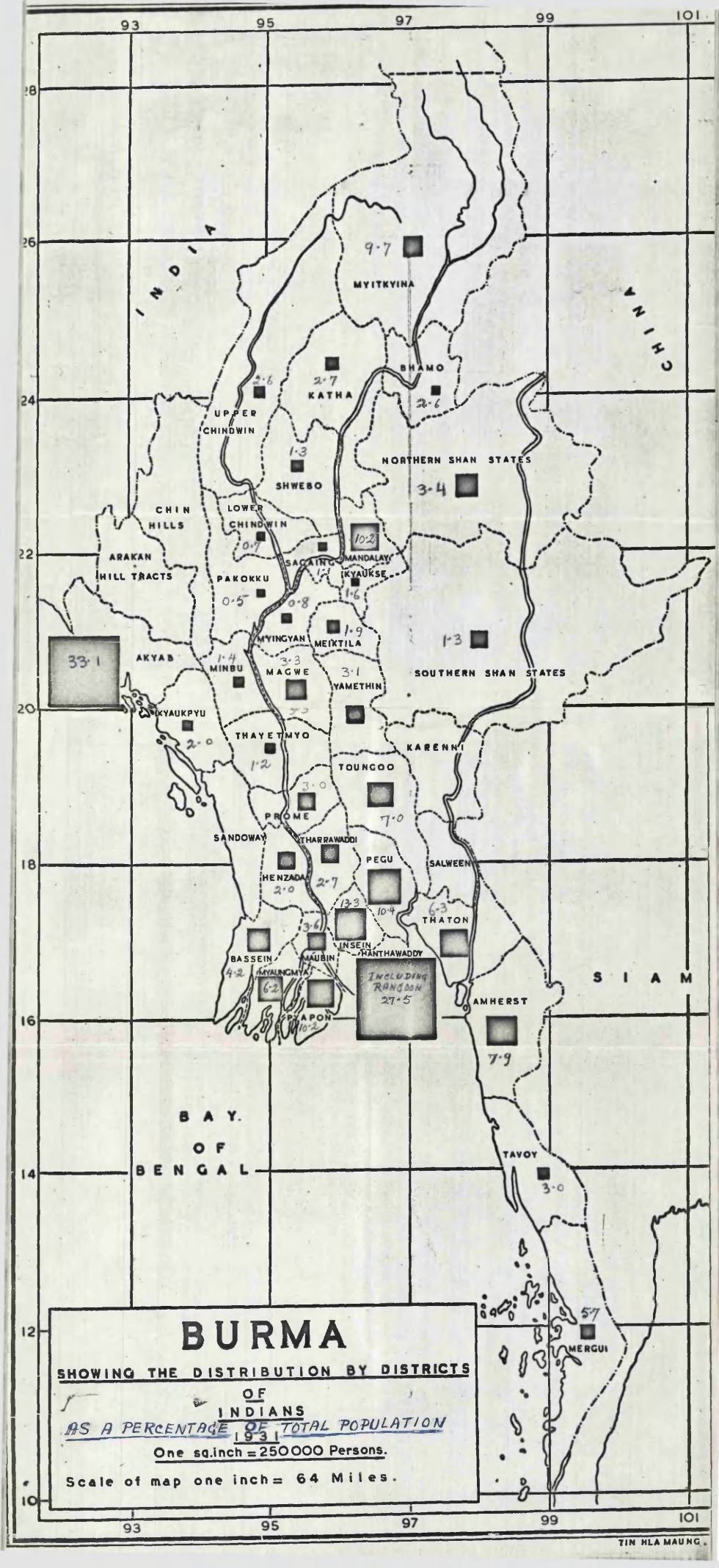

BURMA

SHOWING THE DISTRIBUTION BY DISTRICTS

OF

INDIANS

AS A PERCENTAGE OF TOTAL POPULATION

1931

One sq.inch = 250000 Persons.

Scale of map one inch = 64 Miles.

TIN HLA MAUNG.